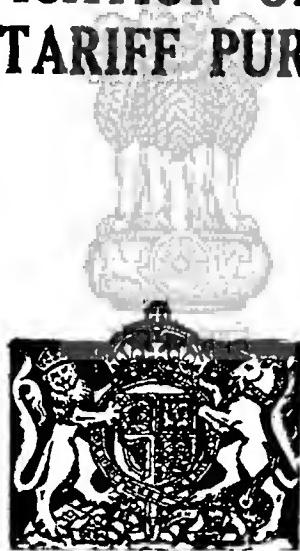


INDIAN TARIFF BOARD

Written and Oral Evidence

recorded during enquiry on the

CLASSIFICATION OF PAPER TARIFF PURPOSES



**DELHI MANAGER OF PUBLICATION
1937**

List of Agents in India from whom Government of India Publications are available.

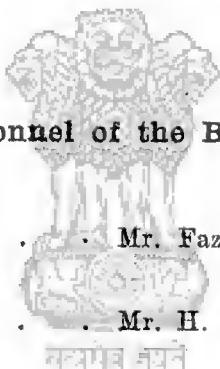
(a) PROVINCIAL GOVERNMENT BOOK DEPOTS.

MADRAS :—Superintendent, Government Press, Mount Road, Madras.
 BOMBAY :—Superintendent, Government Printing and Stationery, Queen's Road, Bombay.
 SIND :—Manager, Sind Government Book Depot, and Record Office, Karachi (Sadar).
 UNITED PROVINCES :—Superintendent, Government Press, Allahabad.
 PUNJAB :—Superintendent, Government Printing, Punjab, Lahore.
 BURMA :—Superintendent, Government Printing, Burma, Rangoon.
 CENTRAL PROVINCES :—Superintendent, Government Printing, Central Provinces, Nagpur.
 ASSAM :—Superintendent, Assam Secretariat Press, Shillong.
 BIHAR :—Superintendent, Government Printing, P. O. Gulzarbagh, Patna.
 NORTH-WEST FRONTIER PROVINCE :—Manager, Government Printing and Stationery, Peshawar.
 ORISSA :—Press Officer, Secretariat, Cuttack.

(b) PRIVATE BOOK-SELLERS.

Advani Brothers, P. O. Box 100, Cawnpore. Aero Stores, Karachi.* Banarsi & Co., Ltd., Station Road, Ajmer. Bengal Flying Club, Dum Dum Cantt.* Bhawnani & Sons, New Delhi. Book Company, Calcutta. Booklover's Resort, Talked, Trivandrum, South India. Burma Book Club, Ltd., Rangoon. Butterworth & Co. (India), Ltd., Calcutta. Chatterjee & Co., 3, Bacharam Chatterjee Lane, Calcutta. Chukraverty, Chatterjee & Co., Ltd., 18, College Square, Calcutta. Das Gupta & Co., 54/3, College Street, Calcutta. Delhi and U. P. Flying Club, Ltd., Delhi.* English Book Depot, Ferozepore. English Bookstall, Karachi. Fakir Chand Marwah, Peshawar Cantonment. Fono Book Agency, Simla. Higginbothams, Madras. Hindu Library, 187-F, Balaram De Street, Calcutta. Hyderabad Book Depot, Chaderghat, Hyderabad (Deccan). Imperial Book Depot and Press, near Jama Masjid (Machhilwan), Delhi. Indian Army Book Depot, Dayalbagh, Agra. Indian Army Book Depot, Jullundur City and Daryaganj, Delhi. Indian Book Shop, Benares City. Indian School Supply Depot, Central Avenue, South P. O., Dharamsala, Calcutta. Insurance Publicity Co., Ltd., Lahore. International Book Service, Poona 4. Jacques & Co., Kamptee Road, Nagpur, Messrs. Neston. Jaina & Bros., Mori Gate, Delhi, and Connaught Place, New Delhi, Messrs. J. M. Kamala Book Depot, 15, College Square, Calcutta. Karnataka Publishing House, Bangalore City. Keela & Co., Karachi. Kitabistan, 17-A, City Road, Allahabad. Krishnaswami & Co., Teppakulam P. O., Trichinopoly Fort, Messrs. S. Lahiri & Co., Calcutta, Messrs. S. K. Local Self-Govt. Institute, Bombay. London Book Co. (India), Arbab Road, Peshawar, Murree, Nowshera, Rawalpindi. Malhotra & Co., Post Box No. 94, Lahore, Messrs. U. P.	Minerva Book Shop, Anarkali Street, Lahore. Modern Book Depot, Bazar Road, Shikot Cantonment. Mohanlal Dossabhail Shah, Rajkot. Nandkishore & Bros., Chowk, Benares City. New Book Co. "Kitab Mahal" 192, Hornby Road, Bombay. Newman & Co., Ltd., Calcutta, Messrs. W. Oxford Book and Stationery Company, Delhi, Lahore, Simla, Meerut and Calcutta. Parkh & Co., Baroda, Messrs. B. Pioneer Book Supply Co., 20, Shub Narayan Das Lane, Calcutta, and 219, Cloth Market, Delhi. Popular Book Depot, Grant Road, Bombay. Punjab Religious Book Society, Lahore. Raghunath Prasad & Sons, Patna City. Ram Krishna Bros., Opposite Bishrambagh, Poona City. Ram Narain Lal, Katra, Allahabad. Rama Krishna & Sons, Book-sellers, Anarkali, Lahore. Ramesh Book Depot & Stationery Mart, Kashmiri Gate, Delhi. Ray & Sons, 48, K. & L. Edwardes Road Rawalpindi, Murree and Peshawar, Messrs. J. Roy Chowdhury & Co., 11, College Square, Calcutta, Messrs. N. M. Sarkar & Sons, 15, College Square, Calcutta, Messrs. M. C. Sarkar & Co., Ltd., 18, Shama Charan Dey Street and 8/2, Hastings Street, Calcutta, Messrs. P. C. Standard Book Depots, Lahore, Dalhousie and Delhi. Standard Bookstall, Karachi. Standard Bookstall, Quetta. Standard Law Book Society, 69, Harrison Road, Calcutta. Taraporewala Sons & Co., Bombay, Messrs. D. B. Thacker & Co., Ltd., Bombay. Thacker, Spink & Co., Ltd., Calcutta and Simla. Tripathi & Co., Book-sellers, Princess Street, Kalbaday 1 Road, Bombay, Messrs. N. M. University Book Agency, Kachari Road, Lahore. Upper India Publishing House, Ltd., Literature Palace, Ammudaula Park, Lucknow. Varadachary & Co., Madras, Messrs. P. Venkatasubban, A., Law Book-seller, Vellore. Wheeler & Co., Allahabad, Calcutta and Bombay, Messrs. A. H. Young Man & Co., Ajmer and Egerton Road, Delhi.
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*Agents for publications on Aviation only.



Personnel of the Board.

President Mr. Fazal Ibrahim Rahimtoola.

Member Mr. H. R. Batheja.

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GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE.

Simla, the 25th May, 1935.

RESOLUTION.

TARIFFS.

In paragraph 101 of the 1931 Report on the grant of protection to the Paper and Paper Pulp Industries, the Tariff Board recommended that in the event of their proposals in regard to the measure of protection to be afforded to the industries being accepted, steps should be taken at the earliest possible opportunity after the passing of the Act to specify, as definitely as might be possible, the classes of paper which are by ordinary trade usage included in the term "Printing and Writing Paper" as used in the Import Tariff Schedule. In announcing their decisions on the report the Government of India in their Resolution in this Department No. 202-T. (28), dated the 3rd February, 1932, expressed their inability to accept the Board's recommendation. In their view the definition of articles to which the protective tariff should apply was one which should indicate as precisely as possible the intention of the Legislature and should be so framed as to include any such articles as can be produced economically in the country or may compete with an indigenous product. For this purpose trade usage provides no guide. At the same time, the Government of India appreciated the fact that the then current statutory definition of the protected classes of paper gave rise to difficulties of interpretation, and declared that if protection were given for a further period to the Paper Industry they proposed to proceed to the revision of the basis of assessment to duty of imported paper in consultation with the different interests concerned in such a way as to obviate disputes regarding the interpretation of the tariff. They also undertook to place the result of such revision before the Legislature.

2. In accordance with their announcement the Government of India consulted the various interests concerned in the matter on a broad scheme of classification, the central idea of which was the specification of non-protected papers and the grouping of all others in a residual protective class. The views received have, however, been so divergent that it has been impossible to arrive at any satisfactory conclusion. The Government of India consider that in the circumstances the question should be investigated by the Tariff Board. They have decided therefore to ask the Board to examine the classification of paper for Tariff purposes with a view

to recommending such changes as may be considered necessary to give effect to the intentions of the Legislature in granting protection to printing and writing papers under the Bamboo Paper Industry (Protection) Act, 1932.

3. Firms or persons who desire that their views should be considered by the Tariff Board, should address their representations to the Secretary, Tariff Board.

ORDER.—Ordered that a copy of the above Resolution be communicated to all Local Governments and Administrations, all Departments of the Government of India, the Director General of Commercial Intelligence and Statistics, the Central Board of Revenue, the Indian Trade Commissioners, London, Hamburg and Milan, the Secretary, Tariff Board, the High Commissioner for India, London, His Majesty's Trade Commissioner in India, the Canadian Trade Commissioner in India, all the Chambers of Commerce and Associations, the French Trade Commissioner in India, Burma and Ceylon, the Secretary, Imperial Council of Agricultural Research and the Chief Controller of Stores.

Ordered also, that it be published in the *Gazette of India*.



**Press Communiqué issued by the Tariff Board on the 8th June,
1935.**

The Government of India, Department of Commerce, in their Resolution No. 202-T. (1)/35, dated the 25th May, 1935, have referred to the Tariff Board the question of the classification of paper for tariff purposes with a view to recommending such changes as may be considered necessary to give effect to the intentions of the Legislature in granting protection to printing and writing papers under the Bamboo Paper Industry (Protection) Act, 1932.

The terms of the Resolution are as follows:—

"In paragraph 101 of the 1931 Report on the grant of protection to the Paper and Paper Pulp Industries, the Tariff Board recommended that in the event of their proposals in regard to the measure of protection to be afforded to the industries being accepted, steps should be taken at the earliest possible opportunity after the passing of the Act to specify, as definitely as might be possible, the classes of paper which are by ordinary trade usage included in the term "Printing and Writing Paper" as used in the Import Tariff Schedule. In announcing their decisions on the report the Government of India in their Resolution in this Department No. 202-T. (28), dated the 3rd February, 1932, expressed their inability to accept the Board's recommendation. In their view the definition of articles to which the protective tariff should apply was one which should indicate as precisely as possible the intention of the Legislature and should be so framed as to include any such articles as can be produced economically in the country or may compete with an indigenous product. For this purpose trade usage provides no guide. At the same time, the Government of India appreciated the fact that the then current statutory definition of the protected classes of paper gave rise to difficulties of interpretation, and declared that if protection were given for a further period to the paper industry they proposed to proceed to the revision of the basis of assessment to duty of imported paper in consultation with the different interests concerned in such a way as to obviate disputes regarding the interpretation of the tariff. They also undertook to place the result of such revision before the Legislature.

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therefore to ask the Board to examine the classification of paper for tariff purposes with a view to recommending such changes as may be considered necessary to give effect to the intentions of the Legislature in granting protection to printing and writing papers under the Bamboo Paper Industry (Protection) Act, 1932."

2. Firms or persons interested in the enquiry should submit written representations (with six spare copies) embodying such views as they wish the Board to take into consideration not later than 1st July, 1935, to the Secretary, Tariff Board, Town Hall, Bombay.



Questionnaire issued by the Tariff Board.

1. How does trade practice distinguish printing paper from writing paper and other varieties of paper? Please state the principal classes of paper which serve more than one purpose in India and illustrate their actual uses.
2. Can you suggest a suitable definition of "printing paper"? What are the different kinds of printing work undertaken in India? What variety of paper is generally used for each class of such work? Mention those varieties separately which serve more than one printing purpose.
3. What in your opinion should be the definition of "newsprint"? State the different varieties of "newsprint" in use in this country. Is "newsprint" used for other purposes than newspaper printing in India?
4. Wherever possible, please state the proportions in which imported paper is used as against indigenous paper for different purposes.
5. Printing paper containing mechanical wood pulp not less than 70 per cent. of the fibre content is at present free from the protective duty on the ground that mills are unable to manufacture it at competitive prices. Please state whether in your opinion this exemption has caused any serious harm to the Indian industry. Please support your statement with relevant figures.
6. Are you aware whether the method known as "Spence and Krauss" now used by the Customs authorities for determining the mechanical wood pulp content of printing paper is yielding satisfactory results? If not, what other method would you suggest?
7. (a) Please state the different classes of printing and other papers manufactured in India and mention the annual output under each head since 1931-32.
 (b) Please supply three batches of samples of these classes with their realised prices giving such details as you can of their fibre content, size, substance, loading, ash content, finish, colour, etc.
8. (a) What classes of imported printing paper compete with those mentioned in the preceding question? Whence are they imported and in what quantity?
 (b) Please state the prices at which these classes have entered the country since 1931-32. Further mention the current price of each class of printing paper (the c.i.f. price, landing and other charges and duty should be separately stated in each case).
9. Bearing in mind the recommendations in the last Paper report of the Tariff Board and the Government Resolution thereon, can you suggest a scheme of classification of paper for tariff purposes so that the protection granted to the industry may not prove inadequate or nugatory?

Indian Paper Makers' Association, Calcutta.

A.—WRITTEN

(1) *Letter No. 87-P. M. A., dated the 10th July, 1935.*

I have the honour to refer to your letter No. 419, dated the 22nd June last, enclosing a copy of Tariff Board's questionnaire in connection with Board's enquiry into the classification of paper for tariff purposes. I now enclose a memorandum setting out the Indian Paper Makers' Association's replies to the questionnaire. Five spare copies of the memorandum have been sent to you under separate cover together with the samples asked for in item 7 (b) of the questionnaire.

Enclosure.

INDIAN PAPER MAKERS' ASSOCIATION.

Memorandum in reply to Questionnaire by the Tariff Board.

1. It is very difficult to say definitely in what way the paper trade in India distinguishes Printing paper from Writing paper, because in this country in many cases Printing paper is also used as a writing paper, especially for example by the Government of India whose specifications for Printing paper and Writing paper differ very little. Ordinarily speaking, however, the chief distinction between Printing paper (*i.e.*, paper used entirely for printing) and Writing paper is the question of sizing. A paper purely for printing usually contains a slightly higher percentage of loading (china clay) and is invariably under-sized. This makes it unfit for writing purposes, gives it quicker drying properties and prevents offsetting (*i.e.*, it prevents the wet ink on the newly printed sheet being transferred in the form of a smudge or a smear to the following sheet on the delivery pile of the Printing machine). On the other hand Writing paper is always manufactured fully sized so that writing in ink does not spread on the surface. Writing paper is, generally speaking, of a stronger texture than Printing as the quality is subject to rougher handling.

The chief class of paper which serves more than one purpose in India is, in effect, Printing paper; and there is undoubtedly a demand in India, especially as regards the Calcutta and upcountry markets, for a paper which serves a dual purpose. This is probably because many of the Printers, Publishers and Paper Dealers possess a definitely limited knowledge of the technicalities of the Printing trade, and are unaware of the easier and better results obtainable from the different grades of Printing paper. As the Printing trade advances in India the demand is likely to be more and more for the softer sized Printing paper, and indeed over the course of the past few years has shown a definite tendency towards this. It is not a practice for Printers abroad to specify a fully sized Printing paper except for Lithographic work. On the other hand, in this country a large tonnage of "Printing Paper" is never printed on but is solely for writing purposes and this would be more correctly called "Cream or White Wove Paper". The only other reason that can be advanced for its double use (other than that stated above) is that it can be sold as either quality by the paper merchants and obviates their carrying stocks of various qualities. Most of the better class Printers, that is those producing a higher standard of work, prefer the softer surface paper suitably sized for Printing.

Newsprinting.—This is also used for numerous purposes in India and is fully replied to under Answer 3.

White Cartridge Paper.—This is chiefly used as a drawing paper for the manufacture of drawing books, *i.e.*, books with different designs printed on the left hand page and the other side being left blank for sketching such designs. Owing to this class of paper being at present classified as an unpro-

tected line, it has been imported and used as a printing paper (Antique Wove). The latter quality is usually a softer and weaker paper but otherwise, in appearance, is similar to a Cartridge paper. Instances have occurred where Cartridge paper has been imported in $20 \times 30 - 28$ lbs. which is definitely a book printing size and weight. A *pucca* Cartridge is never used below a substance of demy 24 lbs., whereas $20 \times 30 - 28$ lbs. is equivalent to demy 18 lbs. only.

Cartridge paper is also used for making envelopes and as a book-end paper.

Cream Laid.—This is used as a writing paper for exercise books, for the manufacture of envelopes and also for printed forms.

M. G. Wrapping.—This paper which is glazed on one side and has a rough finish on the other, is chiefly used as a wrapping paper but also as a cheap cover, mainly for exercise books.

M. G. Pressing is chiefly used as covers for exercise books but also as an ordinary cover paper.

Glazed Coloured Printing.—A large quantity of this quality is imported at the lower rate of duty, hard sized, and is used for the covers of pamphlets, circulars and printed forms, etc.

M. G. Poster Paper is used for printing posters, labels, litho printing and the manufacture of envelopes.

2. It is very difficult in view of the different uses which Printing paper is put to in India to suggest a suitable and accurate definition of printing paper. The suggestion of this Association, however, is that a Printing paper which is used for printing purposes only is manufactured half sized for rapid absorption, has a higher clay content than writing paper and is generally unsuitable for writing purposes.

Printing in India is carried on by the following processes:—

- (a) Letter-Press.
- (b) Direct Lithography.
- (c) Offset Lithography.
- (d) Photogravure.

(a) *The Letter-Press* process is the most common and effective way of printing the majority of jobs, and the machines in use in India printing by this method, range from large newspaper and jobbing rotaries, two revolution and stop cylinder machines to small platens operated by foot treadle.

(b) *Direct Lithography* is used for map printing, plans, illustrated posters, labels, etc.

(c) *The Offset Lithographic* process is coming more to the fore owing to its giving a lower cost of production on certain classes of work which, combined with the good quality and excellent illustrations that may be obtained, will continue to develop in India. The types of work usually printed offsett are illustrated catalogues, folders, brochures, Urdu publications, maps, labels and sheets for loose leaf books, etc.

(d) *Photogravure*.—To the best of the Association's knowledge only one plant is in existence in India and this is of very recent date. The installation is by the "Times of India", Bombay, for printing the illustrated insets of the "Weekly". The process is adopted where first class illustration is essential and the reading matter of secondary consideration; and where the speed of production is of great importance. The results obtained bear a similarity to offsett.

To the best of the Association's knowledge (a) and (b) are the most general processes in use in India.

(a) *Letter-Press*.—Almost any variety of paper can be printed by this process by the qualities in common use are:—

White and Tinted M. F. Printings.

White and Tinted S. C. Printings.

White and Tinted Imitation Arts.
 White and Tinted Real Arts.
 Newsprinting Glazed and Unglazed.
 Tinted News.
 Antique Laid and Wove.
 Cover Paper.
 Cream Laid and Wove.
 Banks and Bonds.

These two latter qualities are usually printed with heading for use as letter paper, office forms, etc.

(b) *Direct Lithography*.—For this process a well sized paper of even sided machine finish and as free as possible from "stretch" is called for in the case of maps and other work where more colours than one have to be printed to close register. Posters are printed only on one side of the sheet and for this purpose M. G. Poster paper is largely used.

(c) *Offsett Lithography*.—Almost any quality of paper can be successfully printed by this process, as in order to secure a lifelike and yet mellow re-production of a picture it is not necessary to use a shiny coated Art paper. The paper most commonly used for illustrated catalogues, etc., is offsett cartridge, a quality specially made for this process. It is a paper of smoother finish and softer to handle than drawing cartridge, but it possesses the same characteristics of appearance.

(d) *Photogravure* requires a smooth and even sided M. F. Printing to obtain the best results.

The varieties which serve more than one printing purposo are:—

M. F. Printing.—This is used in India for practically all purposes, namely, Letter-press printing, litho printing and offsett lithography.

Offsett Litho Quality.—This is chiefly used for offsett litho printing, but can also be used as an ordinary printing paper as it has a fairly good and even surface and is of course manufactured as a printing paper. In appearance it somewhat resembles Antique Wove paper, and is therefore suitable for book printing.

M. G. Poster.—This can be used for any printing work where one side of the sheet only is to be printed. It is chiefly used for posters, labels, and printing of tea packets.

Photogravure.—This being in effect a printing paper, it can be used for all purposes of printing.

3. The interests represented by this Association suggest as a suitable definition, the following which is based on the United States of America "Standard Newsprint" definition:—

Weight.—Reams of 500 sheets each 18×22 shall weigh not less than 14 lbs. nor more than 17 lbs.

Reels.—To conform to the same substance limitations as sheets, and shall be in reels not less than 16" wide and 28" diameter.

Furnish.—Not less than 70 per cent. of the total fibre shall be ground wood (mechanical woodpulp) and the remainder shall be unbleached sulphite. The stock may not be bleached.

Degree of sizing.—The paper should be soft sized. There are standard tests by which the degree of sizing can be determined and it is suggested that a suitable definition should be fixed in consultation with the leading newspapers, as is understood to have been done in America.

Ash.—Shall not be more than 5 per cent.

The different varieties of Newsprint in use in this country are:—

“Nipped Finish.”—The Newsprint having a glazed surface suitable for photographic re-productions.

Super-Calendered Newsprint.—A newsprinting which is specially super-calendered to give it a high finish where illustrations form the main feature of the paper.

Unglazed News.—A paper with a rough surface suitable for type printing only.

It will be found that practically all genuine newsprint used by all the newspapers throughout India, is “soft-sized”.

Newsprint is used in a large quantity for other purposes than newspaper printing in India, such as for printing books, catalogues and circulars.

A large tonnage of so-called newsprint is also imported hard sized, making it suitable for writing. The paper is imported in large sheets and then cut and packed in smaller sizes and sold as Writing paper and for the manufacture of Exercise books. It is also used for Office forms, which are both printed and written on.

4. *Foolscap Cream Laid.*—Imported paper is used against indigenous paper to the approximate proportion of 25 per cent. to 75 per cent. as a writing paper and for the manufacture of exercise books. The imported quota includes the better qualities, i.e., pure woodpulp papers, and for the cheaper demand, Glazed Newsprint is imported specially sized for writing purposes.

The proportion given must be taken as very approximate as no classified Custom's figures are available for the last three years, these being classified generally under “Writings”. The following figures show the total production of the Indian Mills under this heading as against the total imports:—

	Writings and Envelopes,		Writings manufactured by Indian Mills.
	Imported. Protected.	Unprotected	
	Tons.	Tons.	Tons.
1931-32	.	7,359	583
1932-33	.	6,920	562
1933-34	.	7,146	421
1934-35	.	6,183	461
			12,878
			14,131
			15,447
			15,820

Printing Paper.—The proportion of Printing paper (other than Newsprint) used in India is approximately 75 per cent. made in India and 25 per cent. imported. Included in the imported tonnage is a growing proportion of Glazed News (so-called) which is being used for the printing of books and catalogues.

Even cheap mechanical pulp Antique papers are imported on the unprotected list for book printing. Also a proportion of printing paper is shipped to this country from Publishers in England in flat sheets but already printed. This is allowed into India free of duty under section 45 (1) and the paper is then cut and bound up into books in India. Although this is in accordance with a recent ruling by the Central Board of Revenue, the Indian Paper Makers' Association feel the admission of such printed sheets entirely free of duty is definitely harmful both to the Indian Paper Mills and the Indian Printing Industry, and they submit it is contrary to the intention of the Legislature.

Here again the percentage given is very approximate but the following figures show the total imports of other Printings (apart from Newsprinting) :—

	Protected.	Unprotected.	Total Output Printing Paper of Indian Mills.
	Tons.	Tons.	Tons.
1931-32	. . .	4,937	5,934
1932-33	. . .	4,510	6,685
1933-34	. . .	5,708	7,272
1934-35	. . .	4,880	7,774
			17,962
			17,185
			18,107
			19,218

Badami Paper.—It is difficult to give the percentage but in the opinion of this Association the approximate proportion of Badami paper imported as against the Indian Mills' production is 40 per cent. The imported quality is used by some Indian States, Railways, etc., for printed forms as owing to the mechanical furnish, it comes in as an unprotected line. It is impossible to state from the Custom's classifications under which heading this paper is imported. The Badami tonnage produced by the Indian Mills for the years specified is as follows:—



	Imports of other kinds of paper (not protected).	
	Tons.	Tons.
1931-32	. . .	4,568
1932-33	. . .	4,046
1933-34	. . .	4,939
1934-35	. . .	4,693
		3,950
		4,692
		4,829
		5,346

Drawing Cartridge.—This is extensively imported as it is a non-protected line.

Packing Paper.—This is imported to the extent of at least 75 per cent. of the total demand in India for wrapping purposes. Total production of Indian Mills' Packing paper is as follows:—

	Total production of Indian Mills' Packing Paper.	Total Imports of Packing Paper (not protected).
	Tons.	Tons.
1931-32	2,690
1932-33	2,496
1933-34	2,481
1934-35	2,175
		10,241
		16,245
		12,513
		15,674

Bank Paper.—Total production of Indian Mills is as follows:—

	Tons.	Total Imports
1931-32	584	See classification for Writings and Envelopes it being impossible to get separate figure.
1932-33	723	
1933-34	745	
1934-35	849	

Azure Laid.—The total production of Indian Mills is as follows:—

	Tons.		Tons.
1931-32	958	1933-34	1,158
1932-33	1,040	1934-35	1,257

This is also classified by the Customs generally under "Writings and Envelopes".

Buff Postcard Board.—Total production of the Indian Mills is as follows:—

	Tons.		Tons.
1931-32	69	1933-34	60
1932-33	116	1934-35	25

This is imported to a very large extent, the chief consumer being the Security Printing Press, Nasik, who import direct and their approximate consumption is 600 tons per annum. The interests on whose behalf this memorandum is submitted believe that the postcard paper contains about 35 per cent. mechanical pulp and the quality is imported on the "unprotected list".

Blottings.—This is imported to the extent of approximately 50 per cent. of the demand. A quantity is imported containing a large percentage of mechanical pulp. The annual production of the Indian Mills' Blotting Paper is as follows:—

	Tons.		Tons.
1931-32	225	1933-34	279
1932-33	300	1934-35	213

As regards imports this is classified as "Other kinds of paper not protected", and is not separately shown.

This Association cannot, therefore, give the Board an accurate percentage of imports.

5. The exemption was intended to apply primarily to "newsprint", in the generally accepted sense of the term, on the grounds that it did not compete with papers made in India. It was recognised that as the Indian Mills could not compete with newsprint it would be unfair for the newspaper to have to pay a Protective Duty which would serve no useful purpose. At the original enquiry in 1924, and subsequently in those of 1927 and 1931, it was decided by the Board that the most convenient method of defining newsprint for the purpose of its exemption was by specifying a minimum mechanical pulp content. It was recognised that this definition might also admit certain classes of paper which do not come within the accepted description of newsprint, but it was hoped that this would not happen to any serious extent and that it would not admit any papers which would compete with Indian made papers. Such unfortunately has not proved to be the case. The exemption from duty of paper containing mechanical woodpulp

is causing a substantial loss of business to the Indian industry. During the last few years papers for many other purposes have been imported under the heading of newsprint. Coated Art paper with a mechanical pulp body, has been imported at the lower rate of duty for some time past and this very cheap quality is tending to displace the use of Indian Imitation Art. Attention has already been drawn to the use of "newsprint" as a cheap writing paper.

Various Provincial Governments use a 70 per cent. mechanical pulp quality of paper in a buff colour, hard sized, for a large proportion of their requirements as per the following statements:—

	Madras Govern- ment Tender.	Indian Mills obtained.
	Tons.	Tons.
1931-32	928
1932-33	926
1933-34	777
1934-35	594
1935-36	961

The price at which this Buff Glazed was placed this year was 1 anna 5³/₈ pies per lb. ream packing and 1 anna 4⁵/₈ pies per lb. reel packing, which prices include free delivery at the Government Stationery Stores, Madras.

	Burma Govern- ment Tender.	Indian Mills obtained.
	Tons.	Tons.
1931-32	210
1932-33	200
1933-34	200
1934-35	190
1935-36	190

These figures all represent a substantial tonnage lost to Indian Mills.

The United Provinces Government also decided to take advantage of the imports of cheap mechanical paper by calling for tenders for supplies during 1933-34 of Glazed Buff or "Newsprinting Paper". The quantity required was to displace very largely the supplies of Semi-Bleached and Badami paper which the United Provinces Government Presses had been using for some twenty to thirty years. In order to retain this tonnage and to keep their machines on full production some of the Indian Mills decided to offer a cheap quality of Buff Printing paper at a very uneconomic rate. Eventually the business was placed with Indian Mills but the accepted rates are entirely uneconomic as it is obviously impossible for Indian Paper Mills to compete with foreign manufacturers using the extremely low priced mechanical woodpulp.

It would not be out of place to quote the following extract showing the intention of Government and the Tariff Board with regard to Newsprint and the Protective Duty:—

"Commerce Member in Debate, 1932, on the 24th February, 1932, official report, pages 1149-51:—It is not in the least the intention of Government to make any substantial change in the law or rather in the practical enforcement of the law, but what we are anxious to avoid is

the retention of a provision in the law which leads to the admission into India at the lower rate of duty of a paper which is definitely of a higher class than newsprint in the ordinary accepted sense."

For comparative purposes, we quote below details of the imports into British India of Newsprinting, etc. (printing containing 70 per cent. mechanical woodpulp), for the period 1929-35:—

	Newsprinting not protected.	Other kinds of paper not protected.	Protected Printings.
	Tons.	Tons.	Tons.
1929-30	23,943	7,817	8,172
1930-31	21,340	6,011	6,609
1931-32	19,854	5,934	4,987
1932-33	22,769	6,636	4,511
1933-34	25,397	7,273	5,701
1934-35	25,307	7,774	4,880

It will be noted that in 1930-31 and 1931-32 coinciding with the general Trade depression, figures for all these classes declined. In 1932-33 there was a recovery in the unprotected classes, but a further decline occurred in the case of protected Printings. The position in 1934-35 is that the unprotected classes are at or above 1929-30 level, whereas, imports of Protected Printing are only 4,880 tons or 60 per cent. of the 1929-30 level of 8,172 tons. This appears to show beyond doubt that there has been a definite tendency to substitute unprotected qualities for the protected qualities previously imported.

6. The Mills comprising this Association have no definite information regarding the general results of mechanical woodpulp content determination by the "Spence and Krauss" method though they believe that it is not accurate within limits of 5 per cent. either way. They understand that other methods are now adopted in other countries and are endeavouring to obtain details which will be submitted to the Board later on.

7. (a) See statement A attached.

(b) The samples asked for have been sent under separate cover and the relative particulars as to realised prices are given in Statement B accompanying this memorandum.

8. (a) The classes of imported printing which compete with Indian Mills' quality, are:—

M. F. White Printing (Pure).

M. F. White Printing (70 per cent. mechanical, glazed and unglazed).

S/O. White Printing.

Glazed Mechanical.

Mechanical Art.

Buff Glazed (mechanical).

Badami.

White Cartridge (also imported as a substitute for Antique Wove).

Duplicator—soft sized.

Imitation Arts.

Pulp Boards.

Cover Paper.

Antique Laid and Wove.

All these qualities are imported chiefly from Norway, Sweden, Austria, Germany, Holland and Finland.

It is not possible to state the quantities in which these are imported, as they are not separately classified by the Customs authorities. In this connection the Board's attention is invited to the figures of imported printings given in the Association's reply to question No. 4 under the sub-heading "Printing Paper".

(b) See statement C attached.

9. The Indian Paper Makers' Association consider that the scheme mentioned hereunder would be most convenient and workable for the purposes of administration and one which would be definite, clear and fair to all interests.

This Association's proposal is that all imports of paper should be subject to the protective duty with the exception of the following papers:—

- (A) Newsprinting, S/C. Unglazed and Nipped (quality as defined in our Answer No. 3 of the Questionnaire).
- (B) Chrome, Marble, Flint and Stereo.
- (C) Tissue Paper (defined as coloured papers of less than substance Demy 7½ lbs.).
- (D) M. G. Wrapping Paper (defined as a Coloured Wrapping Paper rough on one side and glazed on the other).
- (E) Ordinary Wrapping Paper (defined as a coarse, coloured or tinted paper used for wrapping purposes and containing not more than 25 per cent. soda or sulphite (pure) pulps. White paper should be definitely excluded from this heading).
- (F) Manilla Paper (defined as a paper rough on one side and glazed on the other, containing not less than 70 per cent. mechanical woodpulp).
- (G) Straw Boards.
- (H) Transparent cellulose wrapping.
- (I) Greaseproof.
- (J) Calf, leatherette or suede and similar papers imitating cloth or leatherette (used for book binding purposes).
- (K) Gummed Papers.
- (L) Folding Box Boards (containing 70 per cent. mechanical pulp).
- (M) Wall Paper.

The Indian Paper Manufacturing Industry does not desire to be protected from imports of the above qualities because at present none of these papers can be manufactured economically by existing Paper Mills in India and they do not compete with indigenous products.

Note.—In conclusion it may be mentioned for the information of the Tariff Board that the individual members of the Indian Paper Makers' Association are:—

The Titaghur Paper Mills Co., Ltd.

The Bengal Paper Mill Co., Ltd.

The India Paper Pulp Co., Ltd.

The Deccan Paper Mills Co., Ltd.

The tonnage figures, however, include the production of the Upper India Couper Paper Mills Co., Ltd., of Lucknow, who desire to associate themselves with this representation.

STATEMENT A.

7. (a) The different classes of Printing and other Papers manufactured in India are as follows, the annual output in tons is as stated against each, for the years shown.

Quality.	1931-32.	1932-33.	1933-34.	1934-35.
M. F. White Printing hard sized	12,754	12,060	11,931	12,489
M. F. White Printing soft sized	567	734	1,223	1,569
M. F. Tinted Printing	852	402	265	266
S. C. White Printing and Imitation Art	637	818	1,173	1,574
S. C. Tinted Printing and Imitation Art	81	194	234	255
Antique Laid and Wove	426	490	482	389
Government Semi-bleached and Half-bleached Cartridge	2,645	2,487	2,794	2,682
Glazed Buff	N/	N/	620	290
Badami	4,568	4,046	4,989	4,693
Cream Laid	8,821	9,916	10,218	10,539
Cream Wove and M. F. Account Book	916	847	1,220	1,293
Azure Laid	958	1,040	1,158	1,257
Superior Badami	570	493	472	483
White and Tinted Bank Typewriting and Manifolding	584	723	745	849
Glazed White and Buff Account Book (Ahmedabadi)	352	361	650	424
Tinted Writings	178	155	172	91
Blotting	226	300	279	213
White and Tinted Duplicator	241	280	280	310
White Drawing Cartridge	272	286	491	542
White and Tinted Pulp Boards	681	325	317	890
Buff Postcard and S.C. Cream Glazed.	189	232	75	35
White and Buff Manilla (Woodfree)	327	320	321	332
Cover	300	405	421	434
Pastel (Coloured Drawing)	33	49	71	57
Government Stamp Cap	270	240	375	352
Target	25	25	38	41
Wrappings	2,690	2,496	2,481	2,175
Miscellaneous qualities	27	124	46	298
TOTAL	40,119	39,838	48,492	44,326

STATEMENT B.

Statement showing different classes of Printing and other papers manufactured in India and their realised prices at the chief Ports.

Quality.	Nett price per lb. delivered Calcutta.							
	1931-32.		1932-33.		1933-34.		1934-35.	
	AS. P.	AS. P.	AS. P.	AS. P.	AS. P.	AS. P.	AS. P.	AS. P.
White M. F. Printing hard sized .	3 8½—3 4½		3 2½—3 3½		3 2—3 3		3 2—3 3	
White M. F. thin weight hard sized .	3 6—3 7		3 5—3 6		3 3½—3 4½		3 3—3 4½	
White M. F. soft sized . . .	3 3½—3 4½		3 2½—3 3½		3 2—3 3		3 2—3 3	
Coloured M. F. Printing . . .	3 4½—3 5½		3 3½—3 4½		3 3—3 4		3 3—3 4	
White S/C Printing and Imitation Art.	3 4½—3 5½		3 4½—3 5½		3 3—3 4		3 3—3 4	
Super-calendered Tinted Printing and Tinted Imitation Art.	3 7½—3 9½		3 5½—3 6½		3 4—3 5		3 4—3 5	
Antique Laid and Wove . . .	3 8½—3 4½		3 2½—3 3½		3 2½—3 3½		3 2½—3 3½	
Government Semi-Bleached and Half-Bleached Cartridge.	3 4 ..		3 5½ ..		3 3½ ..		3 1½ ..	
Glazed Buff . . . . .	.. ..		.. ..		.. ..		.. ..
Badami	2 6½—2 7½		2 3—2 4		2 1—2 2		2 1—2 2	
Cream Laid 18×16—6 lbs. . .	3 9—8 10		3 7—3 8		3 5—3 6		3 5—3 6	
Cream Laid 13½×16½—8 lbs. and up.	3 3½—3 4½		3 3—3 4		3 1½—3 2½		3 1½—3 2½	
Cream Wove and M. F. Account Book.	3 4—3 5		3 3½—3 4½		3 2—3 3		3 2—3 3	
Azure Laid	3 4½—3 5½		3 4—3 5		3 4—3 5		3 4—3 5	
White Bank	3 9½—3 10½		3 7—3 8		3 4½—3 5½		3 4½—3 5½	
Tinted Bank	4 0—4 1		3 10½—3 11½		3 7½—3 8½		3 7½—3 8½	
Typewriting and Manifolding . .	4 0—4 3		4 0—4 3		4 0—4 3		4 0—4 3	
Glazed White and Buff Account Book (Ahmedabadi).	3 4—3 5		3 3½—3 4½		3 2—3 3		3 2—3 3	
Tinted Writings . . . . .	.. ..		3 4½—3 5½		3 4½—3 5½		3 4½—3 5½	
Superior Badami	3 3½—3 4½		3 2½—3 3½		3 2—3 3		3 2—3 3	
Blottings	3 9½—3 10½		3 9—3 10		3 9—3 10		3 9—3 10	
White Duplicator	3 6½—3 7½		3 6½—3 7½		3 6½—3 7½		3 6½—3 7½	
Tinted Duplicator	3 8—3 9		3 8—3 9		3 8—3 9		3 8—3 9	
White Drawing Cartridge . .	3 3½—3 4½		3 2—3 3		2 8½—2 9½		2 9—2 10	
White and Tinted Pulpboards . .	3 2½—3 3½		3 0—3 1		2 9—2 10		2 9—2 10	
Buff Postcard Board and S. C. Cream Glazed.	2 6—2 7½		2 4½—2 5½		2 4½—2 5½		2 4½—2 5½	
Cover Paper	3 3½—3 4½		3 0—3 1		3 0—3 1		3 0—3 1	
Cover, cheaper quality	2 6½—2 7		2 0—2 1		2 0—2 1		2 0—2 1	
Wrappings	2 3—2 4		2 0—2 1		1 9—1 10		1 9—1 10	

STATEMENT B—*contd.*

Statement showing different classes of Printing and other papers manufactured in India and their realised prices at the chief Ports—contd.

Quality,	Price per lb. c.i.f. Madras.			
	1931-32.	1932-33.	1933-34.	1934-35.
	AS. P.	AS. P.	AS. P.	AS. P.
White M. F. Printing hard sized . . .	3 4½	3 8½	3 2½	3 2½
White M. F. thin weight hard sized . . .	3 4½	3 3½	3 2½	3 2½
White M. F. soft sized . . .	3 4½	3 3½	3 2½	3 2½
Coloured M. F. Printing . . .	..	..	..	..
White S/C Printing and Imitation Art . .	3 5	3 4	3 4	3 4
Super-calendered Tinted Printing and Tinted Imitation Art.	3 8½	3 8½	3 4½	3 4½
Antique Laid and Wove . . .	3 4½	3 4	3 3½	3 3½
Government Semi-Bleached and Half-Bleached Cartridge.	..	..	..	..
Glazed Buff . . . .	..	..	1 11-52	..
Badami	2 10	2 1½	2 1½	2 1½
Cream Laid 13×16—6 lbs. . . .	3 11	3 6½	3 6	3 6
Cream Laid 13½×16½—8 lbs. and up . .	3 5½	3 4	3 3	3 3
Cream Wove and M. F. Account Book . .	..	..	..	..
Azure Laid	3 11	3 9½	3 6½	3 6½
White Bank	4 1½	3 9½	3 6½	3 6½
Tinted Bank	4 3	3 11	3 9½	3 9½
Typewriting and Manifolding . . .	..	..	..	..
Glazed White and Buff Account Book (Ahmedabadi).	..	..	..	..
Tinted Writings . . . .	..	..	3 7-23	3 7-23
Superior Badami	3 4½	3 4½	3 2½	3 2½
Blottings	4 0	4 0	4 0	4 0
White Duplicator . . . .	..	..	..	..
Tinted Duplicator . . . .	..	..	..	..
White Drawing Cartridge	3 4½	3 1	2 10	2 10
White and Tinted Pulpboards . . . .	..	..	..	..
Buff Postcard Board and S. C. Cream Glazed	2 4½	2 4½	2 4½	2 4½
Cover Paper	3 5	3 4-90	2 10-20	2 10-20
Cover, cheaper quality	2 8½	2 10-20	2 6-40	2 6-40
Wrappings . . . .	..	..	..	..

STATEMENT B—*contd.*

Statement showing different classes of Printing and other papers manufactured in India and their realised prices at the chief Ports—contd.

Quality.	Price per lb. c.i.f. Bombay.			
	1931-32.	1932-33.	1933-34.	1934-35.
	As. P.	As. P.	As. P.	As. P.
White M. F. Printing hard sized . . .	3 2	3 2	3 0	2 10½
White M. F. thin weight hard sized . . .	3 3½	3 3	3 1	3 0
White M. F. soft sized . . .	3 2	3 2	3 0	2 10½
Coloured M. F. Printing . . .	..	..	..	..
White S/C Printing and Imitation Art . .	3 2	3 2½	3 1	2 11½
Super-calendered Tinted Printing and Tinted Imitation Art	3 6	3 5½	3 2	3 1
Antique Laid and Wove . . .	3 0½	3 2½	3 2	2 11½
Government Semi-Bleached and Half-Bleached Cartridge.	..	..	..	..
Glazed Buff . . . .	..	..	..	..
Badami	2 3	2 2	2 0	1 9
Cream Laid 13×16—6 lbs. . . .	3 8½	3 8½	3 6½	3 5½
Cream Laid 13½×16½—8 lbs. and up . .	3 2	3 2½	3 0½	2 11½
Cream Wove and M. F. Account Book . .	..	..	..	..
Azure Laid	3 6½	3 5	3 4	3 3
White Bank	3 10	3 8½	3 6	3 4
Tinted Bank	3 10½	3 9	3 7	3 4½
Typewriting and Manifolding . . .	3 10½	3 9	3 9	3 9
Glazed White and Buff Account Book (Ahmedabadi).	3 2	3 2½	3 1	2 10½
Tinted Writings	3 8	3 7	3 5	3 4½
Superior Badami	3 2	3 2	3 0	2 10½
Blottings	3 11½	3 11	3 10	3 10
White Duplicator	3 3	3 5½	3 3	3 2½
Tinted Duplicator	3 8	3 8½	3 4	3 3½
White Drawing Cartridge	3 2	3 3	2 10½	2 9
White and Tinted Pulpboards	3 3	3 3½	2 11½	2 10
Buff Postcard Board and S. C. Cream Glazed .	..	..	..	..
Cover Paper	3 2	3 0	2 9½	2 9
Cover, cheaper quality	2 5½	2 4	2 4	2 3½
Wrappings . . . .	..	..	..	..

STATEMENT B—*concl.*

Statement showing different classes of Printing and other papers manufactured in India and their realised prices at the chief Ports—concl.

* Quality.	Price per lb. c.i.f. Rangoon.			
	1931-32.	1932-33.	1933-34.	1934-35.
	A.S. P.	A.S. P.	A.S. P.	A.S. P.
White M. F. Printing hard sized . . .	3 4	3 1½	3 1	3 0
White M. F. thin weight hard sized . . .	3 5½	3 4½	3 2½	3 0
White M. F. soft sized . . .	3 5	3 3½	3 2½	3 0
Coloured M. F. Printing . . .	..	..	..	..
White S/C Printing and Imitation Art . .	3 5½	3 3½	3 2½	3 2
Super-calendered Tinted Printing and Tinted Imitation Art.	3 11	3 11	3 5	3 4
Antique Laid and Wove . . .	3 6	3 6	3 2	3 2
Government Semi-Bleached and Half-Bleached Cartridge.	..	..	..	..
Glazed Buff . . . .	..	..	..	..
Badami	1 11	1 11	1 11	1 11
Cream Laid 13×16—6 lbs. . .	..	..	..	..
Cream Laid 13½×16½—8 lbs. and up . .	3 4	3 3	3 1	3 0
Cream Wove and M. F. Account Book . .	3 7	3 7	3 1	3 1
Azure Laid	3 10	3 10	3 5	3 5
White Bank	4 0	3 9	3 6	3 6
Tinted Bank	4 0	3 9	3 7	3 7
Typewriting and Manifolding . . .	4 2½	4 2½	4 2½	4 2½
Glazed White and Buff Account Book (Ahmedabad).	3 4	3 3	3 1	3 1
Tinted Writings . . . .	..	..	..	..
Superior Badami	3 5	3 3½	3 2½	3 0
Blottings	3 11	3 9	3 9	3 9
White Duplicator	4 0	3 9	3 7	3 7
Tinted Duplicator	4 1	3 9	3 7	3 7
White Drawing Cartridge . . .	3 6	3 2	2 9½	2 9½
White and Tinted Pulpboards . . .	3 3	2 9½	2 9½	2 9½
Buff Postcard Board and S. C. Cream Glazed .	..	..	..	..
Cover Paper	3 6	3 3	3 3	3 3
Cover, cheaper quality	2 9	2 7	2 7	2 7
Wrappings	1 11	1 10	1 8	1 8

STATEMENT C.

Statement showing Prices at which Imported Printing Paper has entered India (and Burma) since 1931-32.

Quality.	Price per ton c.i.f. 1	Price per lb. @ 1s. 6d. exchange. 2	Rate of Duty. 3	Landed cost per lb. adding † pie to cover clearing * and landing charges. 4
				AS. P.
1931-32.				
Unglazed White Mechanical Printing Paper.	9 17 6 Calcutta	0 11-28	25% on As. 1-1	1 3-03
Ditto . . .	10 10 0 ,,	1 0	25% on As. 1-1	1 3-75
Glazed White News . . .	10 10 0 ,,	1 0	25% on As. 1-1	1 3-75
Glazed White Mechanical Printing Paper.	11 2 6 ,,	1 0-71	25% on As. 1-1	1 4-46
Glazed Coloured Mechanical Printing Paper.	12 17 6 ,,	1 2-71	30%	1 7-63
Glazed White Woodfree Printing .	19 7 6 ,,	1 10-14	As. 1-3	3 1-64
Ditto ditto .	21 10 0 Calicut	2 0-57	As. 1-3	3 4-07
Glazed White Woodfree Super-calendered Printing.	20 5 0 Calcutta	1 11-14	As. 1-3	3 2-64
White Offset Printing . . .	19 12 6 ,,	1 10-43	As. 1-3	3 1-93
White and Coloured Imitation Art	25 15 0 ,,	2 5-43	As. 1-3	3 8-93
1932-33.				
Unglazed White Mechanical Printing Paper.	10 10 0 Calcutta	1 0	25% on As. 1-1	1 3-75
Unglazed White Newsprint . . .	11 0 0 ,,	1 0-57	25% on As. 1-1	1 4-82
Glazed White News . . .	10 10 0 ,,	1 0	25% on As. 1-1	1 3-75
Ditto . . .	12 5 0 ,,	1 2	25% on As. 1-1	1 5-75
Glazed Coloured Printing Paper .	15 10 0 ,,	1 5-71	30%	1 11-53
M. G. Poster Paper . . .	21 10 0 ,,	2 0-57	30% <i>ad valorem</i>	2 8-44
White M. F. Printing (Pure)	20 0 0 Calicut	1 10-86	As. 1-3	3 2-86
White S/C Printing (Pure) . . .	19 10 0 ,,	1 10-28	As. 1-3	3 1-78
1933-34.				
Glazed White Newsprinting (hard sized for writing).	12 5 0 Rangoon	1 2	25% on As. 1-1	1 5-75
White Unglazed News . . .	11 2 6 Calcutta	1 0-71	25% on As. 1-1	1 4-46
White Glazed News . . .	11 17 6 ,,	1 1-57	25% on As. 1-1	1 5-32
Glazed Coloured Mechanical (70 per cent, mechanical).	15 0 0 Madras	1 5-14	25% on As. 1-1	1 8-89
White Mechanical Art Paper .	24 0 0 Calicut	2 3-43	25% <i>ad valorem</i>	2 10-78
White Super Calendered Printing (Pure).	19 10 0 ,,	1 10-28	As. 1-3	3 1-78
White M. F. Printing (Pure) .	19 10 0 ,,	1 10-28	As. 1-3	3 1-78

STATEMENT C—*contd.*

Statement showing Prices at which Imported Printing Paper has entered India (and Burma) since 1931-32—contd.

Quality.	Price per ton c.i.f. 1	Price per lb. @ 1s. 6d. exchange. 2	Rate of Duty. 3	Landed cost per lb. adding £ pie to cover clearing and landing charges. 4
				As. P.
1934-35 (THESE ALSO REPRESENT CURRENT PRICES).	£ s. d.	As. P.		As. P.
Un glazed Newsprinting . .	10 5 0 Calcutta	0 11-71	25% on As. 1-1	1 3-46
Glazed White Newsprinting Paper	11 0 0 ,,	1 0-57	25% on As. 1-1	1 4-32
Super-calendered White Newsprinting Paper.	11 2 6 ,,	1 0-71	25% on As. 1-1	1 4-46
Super-calendered Buff Printing (containing more than 70 per cent. mechanical).	12 5 0 ,,	1 2	25% on As. 1-1	1 5-75
Buff Badami Full sized (containing 70 per cent. mechanical).	14 15 0 Rangoon	1 4-86	25% on As. 1-1	1 8-61
Mechanical Glazed Magazine Printing.	13 5 0 Madras	1 3-14	25% on As. 1-1	1 6-89
Glazed Coloured Printing (containing 70 per cent. mechanical).	15 5 0 Rangoon	1 5-43	25% on As. 1-1	1 9-18
Austrian Mechanical Tinted (containing 70 per cent. mechanical).	14 5 0 Madras	1 4-28	25% on As. 1-1	1 8-03
M. G. White Poster Paper . .	19 2 6 Calcutta	1 9-86	30% ad valorem	2 4-91
Ditto . .	19 10 0 Rangoon	1 10-28	30% ad valorem	2 5-47
Super-calendered White Woodfree Imitation Art.	18 12 6 Calcutta	1 9-29	As. 1-3	3 0-79
Coloured Woodfree Imitation Art .	21 10 0 ,,	2 0-57	As. 1-3	3 4-07
Imitation Art Tinted Woodfree .	24 5 0 Rangoon	2 3-71	As. 1-3	3 7-21
Super-calendered White Woodfree Printing.	19 10 0 Calcutta	1 10-29	As. 1-3	3 1-79
White Coated Art Paper (containing more than 70 per cent. mechanical).	28 5 0 Rangoon	2 8-28	25% ad valorem	3 4-86
Glazed White hard sized Printing Paper containing more than 70 per cent. mechanical).	14 0 0 ,,	1 4	25% on As. 1-1	1 7-75
Glazed Superior Printing Paper (containing more than 70 per cent. mechanical).	12 15 0 ,,	1 2-57	25% on As. 1-1	1 6-32

(2) Letter No. 46-P. M. A., dated the 27th July, 1935, from the Indian Paper Makers' Association.

The Paper Mills comprising this Association wish to take this opportunity of thanking the Board for allowing their representatives to inspect the replies of the various interests concerned and to place on record very briefly the position taken up by the Indian Paper Makers' Association in connection with the "Classification of Paper" enquiry that you are now conducting.

The Indian Paper Mills have no desire whatsoever to interfere with the free importation of legitimate newsprint as known and accepted by the trade, but they do ask for action to be taken regarding the Mechanical Wood Pulp Papers which have been introduced from outside sources since protection was given to the industry and which are definitely a higher class of paper than newsprint in the ordinary accepted sense. The Association refers to Glazed Mechanical Buff Printing, Mechanical Cream Woves and Mechanical Antique Wove and Art Papers. All these qualities have been definitely specially produced to take the place of the better qualities that were originally manufactured in this country and as this Association's statement will show, a very considerable and valuable tonnage has been lost to the industry. I attach a copy of letter received in April of this year from the principal Paper Dealer in the Calcutta market which confirms the above remarks.

The members of this Association readily agree that the industry is still unable to produce at present for various mechanical reasons many classes of paper and these the Association naturally does not wish disturbed from their existing duties, but there are also competitive qualities coming into the country which are produced economically by Indian Mills which the Association now wishes to be classified under the protective tariff given to the Indian Manufacturers.

As suggested by you, I enclose a draft Tariff schedule which has been framed on the lines proposed in the Government of India, Commerce Department, letter No. 202-T. (33) of 2nd June, 1932, and trust that it will be of some assistance to the Board in coming to a decision.

Enclosure No. 1.

DRAFT TARIFF SCHEDULE.

Subject to Revenue Duty.

1. Articles made of *Papier maché*.
2. Pasteboard, Millboard, Strawboard, Cardboards, but excluding Pulp-boards of a homogeneous composition containing not less than 50 per cent. chemical pulp (by chemical pulp is meant wood, bamboo, esparto or any other pulp produced by a chemical process).
3. Stationery, including drawing and copy books.
Labels, sheet or card almanacs or calendars.
Christmas, Easter and other cards including cards in booklet form.
Waste Papers and old newspapers.
Postage Stamps used or unused, paper money.
Trade Catalogues and advertising circulars imported by packet, book or parcel post.
4. Marble, Flint, Crepe, Cigarette, Metallic, Match, Matrix, Oiled, Toilet, Tracing, Telegraph Machine Paper on reels, Wall Papers all sorts.
Transparent cellulose wrapping, Greaseproof, Calf, Leatherette or suede, and similar papers imitating Cloth or leatherette, Gummed Papers, Sand Paper, Emery Paper, Carbon Paper.
5. M. G. Poster Paper and Stereo Printing Paper.
6. M. G. Pressing substance of Demy 24 lbs. or less.

7. M. G. Manilla Paper, defined as a paper rough on one side and glazed on the other containing not less than 70 per cent. mechanical wood pulp.
8. Packing and Wrapping Paper, including Kraft.
9. Newsprinting, defined as follows:—

Weight.—Reams of 500 sheets each 18×22 shall weigh not less than 14 lbs. nor more than 17 lbs.

Reels.—To conform to the same substance limitations as sheets, and shall be in reels not less than 16" wide and 28" diameter.

Furnish.—Not less than 70 per cent. of the total fibre shall be ground wood (mechanical wood pulp) and the remainder shall be unbleached sulphite. The stock may not be bleached.

Degree of Sizing.—The paper should be soft sized. There are standard tests by which the degree of sizing can be determined and it is suggested that a suitable definition should be fixed in consultation with the leading newspapers, as is understood to have been done in America.
10. Coated paper all sorts with the exception of those qualities containing mechanical wood pulp.
11. Thin Paper all sorts of substance of 18×22 —7 lbs./500 or less.

Subject to Protective Duty.

1. *Printing Paper*, White and Coloured, all sorts not otherwise specified, including Machine Finish, Super-calendered Finish, Matte Finish. Imitation Art, White and Coloured, Offset Cartridge, Antique Laid and Wove, Litho Printing, Duplicator Paper and Printed Paper in flat sheets.
2. *Writing Paper*, White and Coloured, all sorts, including ruled or printed forms, letter paper with printed headings and Account and Manuscript Books and Binding thereof, including Cream Lais and Woves, Azure Lais Banks, Bonds and Manifold Paper, Account Book Paper White and Buff, M. F. and Glazed, Typewriting Paper, White and Coloured Cartridge and Drawing Paper.
3. *Blottings*, White and Coloured, all sorts.
4. *Cover Paper*.
5. *Pulpboards*, White and Coloured.
6. All other sorts not otherwise specified whether on Reels in sheets or Angle cut.

Enclosure No. 2.

From

Messrs. Bholanath Dutt & Sons,
167, Old China Bazar Street,
Calcutta,

To

The Indian Paper Makers' Association,
Royal Exchange Building,
Calcutta.

Dated the 3rd April, 1935.

We have to inform you that mechanical White Printing Paper in size $13" \times 16"$ —6 lbs. are being imported in this market in large quantities and if you enquire you will find that these are arresting the sales of Indian Cream Laid 6 lbs. papers. Owing to its cheapness it is being liked by the customers. If you like you may enquire into market by sending down

your representative specially in places like China Bazar, Raja's Chauk, etc., in order to corroborate our above statement. We will be interested to know what steps to be taken from your side against importation of this class of papers. If no reasonable reply is received shortly we shall be compelled to import this quality to meet our customers' need.

(3) *Letter No. 48-P. M. A., dated the 2nd August, 1935, from the Indian Paper Makers' Association.*

I am directed to refer to the representations submitted to you with regard to the fact that in one of the Indian Mills' sample books Badami paper was included among printing papers. It will be found that in other Mills' sample books, Badami is not classed as a printing paper, and it would appear that the reason why Badami has been inadvertently placed among Printings in one sample book is because when Badami paper is delivered to Government and Railways it is usually sent direct to the presses to have headings of forms, consignment notes, etc., printed thereon, and these forms are afterwards used for writing on in pencil or ink. I enclose Badami forms from the East Indian Railway and the North Western Railway to illustrate this point. These, the members of this Association think, show conclusively that Badami is a writing paper although it may or may not be printed upon before actual use. Among other uses of Badami in Bengal and up-country is the old established custom of providing Badami paper for children to use when learning to write. The paper is folded as per the attached sample and the writing is usually done with reed pens. Badami is also very largely used up-country in the preparation of rough accounts where the kutch accounts are kept on Badami paper either in pencil or writing with reed pens. It is also used by many Government Departments for patwari forms and it is also a popular form of cheap writing paper for a large section of the population. The mills in the membership of this Association submit that it is very seldom indeed that Badami is used entirely as a printing paper.

Blotting Paper.—The Paper Mills have no objection to the exemption from the Protective duty of thin interleaving blotting and enamelled blotting. They suggest, however, that the substance of the interleaving blotting should not be above 50 grammes.

Esparto Paper.—The Mills understand that it has been represented that Esparto paper containing 50 per cent. of Esparto pulp should be exempted from the Protective duty. It is very difficult to understand the reason for this claim because Sabai grass pulp which up till recently has been the main Indian paper furnish has always been considered to approximate very closely in general characteristics to Esparto pulp. Recently, however, it has been found that a paper manufactured from bamboo pulp is even closer in appearance and general characteristics to Esparto paper. This Association can see no reason why paper made abroad from a special chemical pulp should be exempted from the Protective duty. To do so would be to defeat the whole object of the Bamboo Paper Protective tariff, and it would lead to the importation of a large tonnage of paper which it is the intention of the Legislature to protect by means of the Protective tariff. It may be of interest to point out that since Protection was introduced, Indian Mills' production of printing and writing papers have largely displaced the previous importation of Esparto papers, the reason being that the Indian Mills' qualities have been found to be comparable to the imported Esparto qualities. In any case it appears to this Association that the suggestion of the importers with regard to Esparto Pulp papers would entail a vital alteration in the provisions of the Act.

Cartridge Paper.—I am also to refer you to the suggestion to endeavour to distinguish White Cartridge (Offset Cartridge used for printing) and Drawing Cartridge by a size or measurement specification.

The members of this Association have given this matter due consideration and have come to the conclusion that it would be impossible to specify

sizes for each of these qualities for the purposes of the Tariff Schedule by a method which would be fair to all interests. They are satisfied with the present ruling that no paper weighing less than $18 \times 23 - 28$ lbs. per 500 sheets is accepted as a Drawing Cartridge (see copy of letter from the Collector of Customs, to the Titaghur Paper Mills Co., Ltd., dated the 7th July, 1933), as it would be the exception rather than the rule for Offset Cartridge for use as printing to be imported in this or a higher weight. However, as pointed out by the Association, it would appear that this ruling has not been strictly adhered to by the Customs and that Cartridge paper of lesser substance than $18 \times 23 - 28$ lbs. is being assessed at the lower rate of duty, which enables it to compete with our Antique Wove paper. As promised, in support of the statement made by the Association's representatives, I enclose a copy of a letter received from an importing firm, *viz.*, Messrs. John Dickinson & Co., Ltd., of Calcutta, dated the 29th May, 1935, showing Drawing Cartridge $20 \times 30 - 28$ lbs. assessed at the lower rate of duty. This size and weight is a very unusual one for a Drawing Cartridge and is equivalent to substance of $18 \times 23 - 19$ lbs. only. Provided the ruling is made clear in the classification regarding the substance, it should prevent this.

Even though it might be possible to specify the sizes of Drawing Cartridge usually sold and consumed in certain markets (these varying in different parts of India), it would be very easy for importers to make slight variations in the size to evade the intention of the Tariff. It would also be possible for importers to bring in the larger sizes and then cut them down to the printing sizes in India.

The chief size in demand for Drawing Cartridge is 22×30 , but there is also a small demand for the following sizes:— 20×26 , 20×27 , 17×27 , 22×36 .

This statement is quite apart from the Association's request that Drawing Cartridge should be a protected class of paper, but is simply in reply to your request that the Association should put forward a suggestion as to whether it would be possible to give a specification that would distinguish White Drawing Cartridge from White Offset Cartridge (which latter is purely a printing paper) and also from other qualities of paper coming in under this heading which might be used as Printing qualities, such as the case we have mentioned of Antique Wove.

70 per cent. Mechanical Printings.—During the oral examination of the Association's representatives on Monday, the 29th July, the President produced calculations to show that the c.i.f. price of foreign 70 per cent. mechanical Printings was so low that even with the full protective duty added, the result was that there would be a wide gap between the landed cost and the selling price of the Indian Mills for their usual competitive qualities. With the imported prices at their present level, the Mills comprising this Association, have no course but to agree to the calculations yet they would respectfully remind the Board that it is not improbable that the costs of Indian Mills will continue to be reduced and that there may be an increase in prices quoted by foreign manufacturers for the classes of paper in question. In any case, although the gap appears to be relatively large, there is no question but that in the case of Indian Mills' quality the paper is very much superior to the imported quality, as the Indian Mills produce a wood-free paper, *i.e.*, free of mechanical pulp. This Association is convinced therefore, that a good many buyers even with a price gap would prefer to buy the wood-free paper made in India.

The Mills are aware that the Board are not considering only the present position of the paper industry in India, but that they have always given consideration to the future development of pulp and paper manufacture in this country. The interests represented by this Association submit,

printing and writing papers will eventually displace old established Indian qualities just as Kraft wrapping papers have already displaced Indian brown cartridge and wrappings.

Soft sizing specification for 70 per cent. Mechanical Printings.—The Association is investigating this matter carefully and I hope to write you fully in the course of the next few days.

As requested I enclose the list of various kinds of paper (which you handed to the Association's representatives) with their views as to inclusion and exemption.

Enclosure No. 1.

From

G. N. Bower, Esq., B.A.,
Collector of Customs,
Calcutta.

To

Messrs. The Titaghur Paper Mills Co., Ltd.,
Chartered Bank Buildings,
Calcutta.

Dated the 7th July 1933.

Cartridge Paper.

I have the honour to refer to your letter No. T. P. M. B-209—33/8, dated the 27th ultimo.

The assessment of duty on papers declared as cartridge papers at this port is only made after an examination of the goods. Cartridge papers having a rough texture suitable for use as drawing papers are demonstrably different from the Cartridge papers which are suitable for printing. The former are assessed to duty at the revenue rate and the latter at the protective rate. No paper weighing less than 28 lbs.—18×23—500 sheets per ream is accepted as drawing cartridge.

Enclosure No. 2.

JOHN DICKINSON & CO., LTD.,
CALCUTTA,

P. O. Box 45, 29th May, 1935.

The Proprietor,

Messrs. Beni Madho Shambhoo Nath,
94, Aminabad, Lucknow.

Re Our Bill No. U. D. 347—2 of 21st May, 1935, for 5 bales Drawing Cartridge Paper as per our London Invoice No. D. 8008 of 20th March, 1935, ex the s.s. "Ceylon".

In accordance with your letter without date, we give below, for your information, the details of Custom's duty paid on this consignment:—

Rs. A.
Bale No. 1520/22, 3 bales, 18×22—25 lbs., nett specification weight 1,329 lbs. (these are charged to duty at As. 1-3 per lb.), on 1,329 lbs. 103 13
Bale No. 1523/24, 2 bales 20×30—28 lbs.=1,114 lbs. at 21s. per ton=£10-13-11, at 1s. 6d. per cent.=Rs. 143-5 (these are charged to duty by the Customs authorities on Invoice value at the rate of 30 per cent. on Rs. 143-5 43 0
Total duty paid by us as Per Customs assessment 146 13

This amount we have charged to you in our bill.

Customs Duty on Drawing Cartridge Paper.—According to the new ruling introduced by the Customs's Department, thinner qualities of Drawing Papers, which are below 28 lbs. will be considered as "Writing Paper other sorts" and accordingly chargeable to duty at As. 1-3 per lb. on the nett specification weight.

Only those qualities which are of heavy substances, *viz.*, 28 lbs. or over, will be assessed to duty on market value 30 per cent. In case the market value is not ascertainable, these thicker qualities will be charged to duty by the Custom's on the *invoice* value at the rate of 30 per cent.

Custom's Receipt for duty paid on this consignment.—In regard to the above, we have to inform you that to avoid unnecessary additional expenses ~~which would result from a separate payment for cleaning was included~~



JOHN DICKINSON & CO., LTD.,
Post Box 45, Grosvenor House, Larkin's Lane, Calcutta.

Messrs. Beni Madho Shambhu Nath,
94, Aminabad Park, Lucknow.

Invoice No. U. D. 347/2.

Date—21st May, 1935.

Office Pass No. D. 8008.

Your Order dated 8th April, 1935.

	Rs. A. P.
To Duty charges on 5 bales "8016" Drawing Cartridge paper shipped per s.s. "Ceylon" as per London Direct Invoice No. D. 8008, dated the 20th March, 1935	146 13 0
To P. C. Landing and Jetty clearing expenses	5 15 6
To Clearing commission	2 8 0
	<hr/>
	155 4 6

Through Allahabad Bank Ltd.

At St.
per goods train.

(R./R. No. A. 046197 of 20th May 1935.)

Draft No. 2010.

For JOHN DICKINSON & CO., LTD.

Enclosure No. 3.

INDIAN PAPER MAKERS' ASSOCIATION.

Quality.	Our views as to whether it should be protected or subject to Revenue Duty only.	REMARKS.
I. Art Paper (Wood free)	Revenue	We have agreed in our letter to Tariff Board of 29th July that all Coated Papers containing no mechanical Pulp should be subject to Revenue Duty only (Pure Art Paper is subject to Protective Duty at present).
2. Art Paper Imitation containing less than 70 per cent. Mechanical Wood Pulp.	Protected	We feel this cheaper class of Art Paper should continue to be protected, as otherwise it would compete with Imitation Art and Supercalendered paper manufactured by the Indian Mills.

Quality.	Our views as to whether it should be protected or subject to Revenue Duty only.	REMARKS.
3. Art Paper Mechanical (70 per cent. and above Mechanical Wood Pulp).	Protected	The same remarks apply as above.
4. Account Book Paper . .	Protected.	
5. Antique Laid, suitable for writing.	Protected.	
6. Antique Laid, other sorts .	Protected.	
7. Antique Wove, suitable for writing.	Protected.	
8. Antique Wove, other sorts .	Protected.	
9. Azure Laid, suitable for writing.	Protected.	
10. Azure Laid, other sorts .	Protected.	
11. Air Mail paper . . .	Protected.	
<i>Boards.</i>		
12. Paste Boards . . .	Revenue.	
13. Mill Board . . .	Revenue.	
14. Card Board . . .	Revenue.	
15. Pulp Board . . .	Protected	We have asked that Pulp Boards should be brought under protective duty.
16. Leatherette Board . .	Revenue.	
17. Straw Board . . .	Revenue.	
18. Boards, all others . .	Revenue.	
19. Blotting Paper . . .	Protected.	
20. Blotting Paper enamelled . .	Revenue.	
21. Bag Paper . . .	Revenue subject to remarks.	Should be assessed at Revenue Duty if made from Brown Wrapping or Kraft otherwise Protected.
22. Badami . . .	Protected	Should be Protective Duty as one of the chief lines manufactured by the Indian Mills.
23. Bank . . .	Protected.	
24. Bond . . .	Protected.	
25. Book Cover . . .	Protected.	
26. Brown (Nature) . . .	Revenue subject to remarks.	We have agreed that Packing and Wrapping Paper should be subject to Revenue Duty only, but a minimum substance of Demy 28 lbs. should be specified, in other than M. G. Wrapping Papers, otherwise Badami paper could come in under heading of "Nature Brown" as colour is very similar.
27. Brown (Black) . . .	Revenue subject to remarks.	
28. Cuff Glazed, polished and hard sized.	Protected.	
29. Buff Glazed if suitable for writing and contains very little woodpulp.	Protected.	

Quality.	Our views as to whether it should be protected or subject to Revenue Duty only.	REMARKS.
30. Buff Glazed soft sized usually used as posters and in magazines.	Revenue subject to remarks.	If containing more than 70 per cent. mechanical woodpulp.
31. Cap Paper which is ordinarily very thin paper.	Revenue subject to remarks.	This is really an M. G. in which case should be subject to Revenue duty.
32. Government Stamp Cap . . .	Protected.	
33. Chromo . . .	Revenue.	
34. Cover Paper . . .	Revenue	
	Protected .	If containing less than 70 per cent. mechanical.
35. Coated Paper . . .	Revenue subject to remarks.	We have agreed that Coated Paper containing no Mechanical Pulp should be subject to Revenue Duty.
36. Copying Paper . . .	Revenue subject to remarks.	This is a Thin Paper of demy 7½ lbs. and less, in which case it should be subject to Revenue Duty.
37. Crepe Paper . . .	Revenue.	
38. Cigarette Paper . . .	Revenue.	
39. Cigarette Paper in small packets and cut to sizes ready for use.	Revenue.	
40. Cellophane . . .	Revenue.	
40. Carbon Paper . . .	Revenue.	
42. Cloth Lined Paper . . .	Revenue.	
43. Casing Paper . . .	Protected.	
44. Cheque Paper . . .	Protected.	
45. China Paper . . .	Protected subject to remarks.	If Demy 7½ lbs. or less should be subject to Revenue Duty.
46. Cartridge Paper (Drawing) .	Protected .	See our separate Note on this quality.
47. Cartridge Paper (Printing of weight 28 lbs. 500 sheets for size 18×23).	Protected .	Ditto.
48. Cream Laid . . .	Protected.	
49. Calf Leatherette . . .	Revenue.	
50. Duplicator Soft sized . . .	Protected.	
51. Duplicator Hard sized . . .	Protected.	
52. Drawing Paper . . .	Protected .	See our separate Note on this quality.
53. Design Kraft . . .	Revenue.	
54. Embossed Paper . . .	Protected.	
55. Envelope Paper made of Wrapping Paper.	Revenue.	
56. Envelopes ready made of Writing paper.	Protected.	
57. Envelopes ready made all other sorts.	Protected.	
58. Enamelled Paper . . .	Revenue.	
59. Emery Paper . . .	Revenue if coated with Emery.	

Quality.	Our views as to whether it should be protected or subject to Revenue Duty only.	REMARKS.
60. Ferro Prussiate Paper . . .	Protected.	
61. Filter Paper . . .	Protected.	
62. Flint Paper . . .	Revenue.	
63. Felt Paper . . .	Revenue.	
64. Graph Paper . . .	Protected, but if printed on, Revenue.	
65. Glassine Paper . . .	Revenue.	
66. Gold and Silver Paper . .	Revenue.	
67. Greaseproof Paper . .	Revenue.	
68. Glazed Wrapping M. G. if suitable for Book Cover and admits of ordinary Printing.	Demy 24 lbs. and less sub- ject to Revenue. Duty.	
69. Glazed Wrapping M. G. other sorts.	Ditto.	
70. Gummed Paper . . .	Revenue.	
71. Glass Paper . . .	Revenue subject to remarks.	If complete manufactured article.
72. Insulating Paper . . .	In . . . recls, Revenue Duty.	
73. Ivory Printing . . .	Protected.	
74. Kraft . . .	Revenue.	
75. Kraft Imitation . . .	Revenue.	
76. Kraft other sorts . . .	Revenue.	
77. Kite Paper . . .	Revenue.	
78. Litho Paper . . .	Protected.	
79. Lace Paper . . .	Revenue duty if punched.	
80. Linen Faced Writing Paper (Thin quality).	Protected.	
81. Linen Faced Writing Paper (thick quality).	Protected.	
82. Ledger Paper . . .	Protected.	
83. Leatherette Paper . . .	Revenue.	
84. Metallic Paper . . .	Revenue.	
85. Match Paper . . .	Revenue subject to remarks.	If Demy 7½ lbs. and less.
86. Matrix or Stereo Paper cut to size.	Revenue.	
87. Matrix or Stereo Paper other sorts.	Revenue.	
88. Marble Paper . . .	Revenue.	
89. Machine Glazed Pressing suitable for Printing.	If under Demy 24 lbs.— Revenue. Above—Pro- tected.	
90. Machine Glazed Pressing other sorts.	If demy 24 lbs. and under— Revenue. Above—Pro- tected.	

Quality.	Our views as to whether it should be protected or subject to Revenue Duty only.	REMARKS.
91. Manilla	Revenue, if M. G.	
92. Manifold	Protected.	
93. Mechanical Printing paper	Revenue subject to remarks.	Revenue if containing 70 per cent. mechanical and soft-sized.
94. Matte Finish if not of suitable size and quality for writing.	Ditto . . .	Ditto.
95. Matte Finish, if of suitable size and quality for writing.	Protected.	
96. Napkin Paper	If manufactured article —Revenue Duty.	
97. Nature Brown	Revenue subject to remarks.	See No. 26.
98. Note Paper	Protected.	
99. Newsprint paper Glazed		
100. Newsprint Paper Unglazed		
101. Newsprint Paper Mechanical	Revenue subject to remarks.	See No. 93.
102. Newsprint Paper Calendered		
103. Newsprint Paper M. G.		
104. Newsprint Paper M. F.		
105. Oil Paper	Revenue.	
106. Offset Cartridge	Protected.	
107. Pastel Paper (said to be a coloured Drawing Paper.)	Protected.	
108. Pasting Paper	Revenue if containing 70 per cent. mech. anical wood pulp, otherwise Protected.	
109. Poster Paper	Revenue if M. G.	
110. Parchment certain qualities	Protected.	
111. Stencil Paper	Revenue subject to remarks.	Should be subject to Revenue if waxed only, as Indian Mills make the packing paper, and in fact, the complete article is being manufactured in India by Messrs. D. Gestetner (India), Ltd.
112. Stereo Paper	Revenue.	
113. S. C. Printing	Protected.	
114. Sulphite Envelope	Revenue, if M. G.	
115. Suede Paper	Revenue.	
116. Sand Paper	Revenue, if coated (i.e., finished article).	

Quality.	Our views as to whether it should be protected or subject to Revenue Duty only.	REMARKS.
117. Transparent Cellulose Paper if cellophane.	Revenue.	
118. Tin Foil Paper . . .	Revenue.	
119. Target Paper . . .	Protected.	
120. Typewriting Paper . . .	Protected.	
121. Tissue Paper . . .	Revenue subject to remarks.	Revenue, if demy 7½ lbs. and less as it invariably is.
122. Toilet Paper . . .	Revenue subject to remarks.	If in Rolls, or small cut sizes.
123. Tracing Paper . . .	Revenue, if prepared.	
124. Telegraph machine paper on reels.	Revenue.	
125. Unglazed thin white . .	Revenue subject to remarks.	See 93
126. Unglazed thin coloured deep blue of less than 7½ lbs. Demy.	Revenue.	
127. Unglazed Thin others . .	Under Demy 7½ lbs. Revenue.	
128. Vegetable Parchment . .	Revenue.	
129. Wall Paper . . .	Revenue.	
130. Waxed Paper . . .	Revenue.	
131. Waterproof Paper . .	Revenue, if prepared.	
132. Writing Paper White and Coloured.	Protected.	

(4) Letter No. 49-P. M. A., dated the 3rd August, 1935, from the Indian Paper Makers' Association.

The interests represented by this Association believe that it has been suggested during the oral examination of witnesses that Unglazed thin papers—both white and coloured—made with an unspecified furnish, i.e., to include mechanical wood pulp of any percentage, should be exempt from the Protective duty up to a substance of 35 grammes, say 10 lbs. Demy. They would point out that two of the Indian mills chief selling lines are wood-free 6 lbs. Foolscap paper (the equivalent in Demy size being 11·27 lbs. or about 42 grammes) and 12 lbs. Demy White Printing (about 45 grammes). If the importation of 10 lbs. white paper without any stipulation as to the mechanical pulp contents is allowed to be imported free of the Protective duty, this paper would rapidly displace the Indian mills 6 lbs. Foolscap paper and 12 lbs. Demy Printing paper.

Indian mills also make a thin Air-mail paper in substance of 28 grammes and similar paper might be imported, under the suggested new ruling, as Printing paper. The Indian Paper Industry, as the Association has pointed out, is already suffering severe competition from 70 per cent. Mechanical Printings—used also as Writings—in substance of about 42 grammes. It is obvious that to allow wood-free white and buff papers of this substance to

come in under the Revenue duty would accentuate the competition still further.

As you will no doubt appreciate, several qualities of imported paper have been designed and manufactured especially to evade the Protective tariff, and the Mills comprising this Association consider that the proposal as regards Unglazed thin papers to which they now refer, would give further scope for evasions of this nature. They would, however, have no objection to Unglazed thin papers, white and buff, up to $7\frac{1}{2}$ lbs. Demy substance in any furnish being imported under the Revenue duty. The deeper coloured papers could, on the same principle, be imported up to 10 lbs. Demy substance.

This of course does not apply to writing papers and this Association is especially anxious to guard against a cheap coloured hard-sized printing paper being imported and used, for instance, as a Bank paper which we make as low as 12 lbs. Demy substance.

Printing versus Writing Paper.--In view of all that has been advanced by the various witnesses at the oral examinations, this Association thinks it necessary to point out that unless the admission of 70 per cent. Mechanical Printings under the Revenue Duty is limited to paper which is soft-sized and generally unsuited for writings, it is certain that writing qualities will be imported as Printings for eventual use as Writings. It will be appreciated that hard-sized printings are so similar in appearance to writing qualities that it will be impossible for the Customs Department to distinguish them unless it is definitely laid down that all 70 per cent. Mechanical Printings are soft-sized and unsuitable for writing.

The Association would request the Board especially to consider the desirability of incorporating in the new Schedule a clear distinction, based on the degree of sizing, between Printing Papers and Writing generally, that is to say irrespective of the furnish. The representatives of the Association have pointed out that there are several simple standard tests for determining the degree of sizing of any given sample, and are conducting tests with a view to putting forward our specific suggestions as to a suitable point of demarcation between Writing and Printing Papers. I hope to submit a separate representation on this point at an early date.

(5) Letter No. 59-P. M. A., dated the 20th August, 1935, from the Indian Paper Makers' Association.

In the Association's letter of 3rd August I referred to the question of incorporating in the new Schedule a clear distinction between Writing and Printing papers, based on the degree of sizing and, I mentioned that there were several standard tests employed in different countries.

In the short time at their disposal the members of this Association have obtained particulars of various methods and, they now submit, on enclosure A, particulars of Messrs. Sindall and Bacon's latest method which this well-known firm of paper and pulp chemists state is a comparative test for indicating the relative hardness of papers under examination.

There are also the standard tests for penetration or sizing as described in Griffin's book "Technical methods of Analysis" (McGraw-Hill Book Company, New York and London), namely, the Flotation Test for Writing Papers, employing the standard Ferro-gallic ink made according to a fixed formula, and the "Ferro-cyanide Test" for papers other than Writing Paper which is a test employed for comparison in some of the Indian Mills.

In Great Britain, Germany and elsewhere, it is still believed that the most simple and satisfactory method to judge the resistance of paper to ink marks, is to make ink marks with pen nibs of definite characteristics, including hardness, width of point, etc. This of course is the method which is in daily use in all Indian Mills, and in fact by all paper mills throughout

the world. Under separate cover I have forwarded samples of mechanical papers and actual newspapers (as per list attached—Enclosure B) to show that when the usual "cross-hatching" in writing ink (which should be a standard ink, made according to a recognised formula) is carried out, there should be no difficulty at all in determining whether the paper is soft-sized or hard-sized. The Association suggests, for example, Schlutting & Naumann's Normal Ferro-gallic writing ink. This ink is accepted and used by several Governments including the Government of India, Central Stationery Office. The formula is as follows:—

	Gramme.
Tannin	15·6
Gallic Acid	5·1
Crystalline Ferrous Sulphate	20·0
Gum Arabic	10·0
Hydro-chloric Acid (anhydrous)	2·5
Phenol	1·0
Blue dye—sufficient to colour.	
Water—to make up one litre.	

I have also forwarded a sample of White mechanical printing, cut to size 13" x 16"—6 lbs., obviously imported for writing purposes, to show the difference in sizing as compared to the usual mechanical printing papers.

All tests naturally are somewhat affected by the substance of the paper, but this Association submits that it should be possible for Government, with the assistance of its technical advisers, to give actual examples of hard and soft-sized papers to guide the Customs appraisers. If the paper can be written on easily and clearly without the ink spreading and the edges of the ink lines becoming blurred, then the paper can be judged to be suitable for writing, and not definitely a paper intended primarily or solely for printing purposes.

The Association believes that it is usual to employ a drawing pen of the bow type for comparative tests.

It may be considered advisable, in order to check "border-line" cases, to fix a limit of penetration by a recognised laboratory method. After making experiments the members of this Association recommend the adoption of the standard Ferro-cyanide method with a penetration time-limit of fifteen seconds.

They believe that a soft-sized printing paper gives much better printing results than a hard-sized paper, and it is well-known that all printers with fast running printing machines invariably prefer a definitely soft-sized paper.

P.S.—For your information I submit on Enclosure C an extract from Griffin's book "Technical Methods of Analysis" giving the Ferro-cyanide test for sizing.

ENCLOSURE A.

SINDALL & BACON.

Method of Sizing.

Our method of testing the sizing of a sheet of paper is to tear a small piece off, approximately 10 cms. x 10 cms., fold up the edges in order to form a small tray, then sprinkle on the tray (from a beaker covered with a scrim cloth) the following mixture:—

Finely ground castor sugar containing 0·1 per cent. of Methylene Blue, or, any other contrasting dyestuff to the colour of the paper.

The paper tray with the surface sprinkled over with the above mixture, is then placed in a photographic dish containing water of about 20° C., i.e.,

the paper tray should rest on the surface of the water. The time is taken, in seconds, for the blue dyestuff to become apparent by reason of the water being transmitted from the under surface of the tray to the upper surface, the dyestuff being dissolved.

The above is a comparative test for indicating the relative hardness of sizing of the papers under examination.

ENCLOSURE B.

- | | |
|-------------------------------------|--|
| 1. The "Statesman". | 14. Paper used for "Basumat". |
| 2. The "Star of India". | 15. Paper used for "Ananda Bazar Patrika". |
| 3. The "Basumat". | 16. Paper used for "Vishwamitra" |
| 4. "Ananda Bazar Patrika". | 17. Paper used for "Lokmanya". |
| 5. The "Navyug". | 18. Mechanical Glazed Printing, German. |
| 6. The "Times of India". | 19. Mechanical Printing Norwegian. |
| 7. The "Pioneer". | 20. Glazed Mechanical Printing. |
| 8. The "Hanafi". | 21. Norwegian News Quality. |
| 9. The "Baangla". | 22. Austrian News Quality. |
| 10. "Advance". | 23. Glazed Mechanical sized for writing. |
| 11. "Hindustan Times". | |
| 12. Paper used for "Statesman". | |
| 13. Paper used for "Star of India". | |

ENCLOSURE C.

Extract from Griffin's "Technical Methods of Analysis".

For Papers other than Writing Paper.—For all papers other than writing papers use the so-called Ferro-cyanide Test as follows:—

Float a piece of paper about 2 inches square on the surface of a 5 per cent. solution of $K_4Fe(CN)_6$, and note the time. Then test the upper surface of the piece of paper from time to time by stroking (across the machine direction) with a small camel's-hair brush moistened with a solution of $FeCl_3$ (5-10 per cent.). When the Ferro-cyanide has soaked up through the paper sufficiently to come in contact with the $FeCl_3$, it will react the moment the latter is applied and give a blue colour. The penetration is then considered complete, the time is again noted, and the length of time since the paper was laid upon the surface of the solution is taken as the measure of its resistance to penetration. In stroking the paper with the camel's-hair brush, take care to select a place on the paper which has not previously been wet with the $FeCl_3$ solution. Report the results to the nearest minute, or, if the time is very short, in seconds.

(6) Letter No. 551, dated the 20th August, 1935, from the Tariff Board, to the Indian Paper Makers' Association, Calcutta.

I am directed to enclose herewith for the information of your Association copy of (1) this office letter No. 529, dated the 10th August, 1935, to the Collector of Customs, Calcutta, and (2) letter from the Collector of Customs, Calcutta, No. 474, dated the 16th August, 1935, and to enquire whether in the circumstances your Association would like to reconsider their decision regarding classification of cartridge paper for tariff purposes as contained in your letter No. 48-P. M. A., dated the 2nd August, 1935, and agree to the suggestion made by you in reply to the Board's questionnaire, viz., that cartridge paper below substances $18 \times 22 = 24$ lbs. per 500 sheets = 85 grammes per square metre should be treated as printing paper.

Enclosure No. 1.

Copy of a letter No. 529, dated the 10th August, 1935, from the Secretary, Tariff Board, to the Collector of Customs, Calcutta.

It has been brought to the notice of the Tariff Board that a consignment of 2 bales (Nos. 1523/24, ex-S.S. "Ceylon") of Cartridge Paper of size 20 x 30—28 lbs. was assessed at 30 per cent. on invoice value whereas according to your Departmental Orders this paper appears to be assessable at the protective rate of duty. I am directed to request you to be so good as to let the Board know whether the assessment made is in order and, if not, whether any action has been taken for the realization of the excess duty.

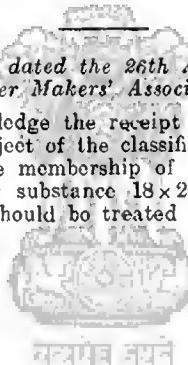
Enclosure No. 2.

Copy of a letter No. 474, dated the 16th August, 1935, from the Officiating Collector of Customs, Calcutta, to the Secretary, Tariff Board.

With reference to your letter No. 529, dated the 10th August, 1935, I have the honour to inform you that the assessment referred to was made in error. Action has been taken for the realization of extra duty.

(7) *Letter No. 63-P. M. A., dated the 26th August, 1935, from the Indian Paper Makers' Association.*

I am directed to acknowledge the receipt of your letter No. 551, dated the 20th August, on the subject of the classification of Cartridge Paper and to say that the mills in the membership of this Association are agreeable that Cartridge Paper below substance 18 x 22=24 lbs. per 500 sheets=85 grammes per square metro should be treated for tariff purposes as printing paper.



INDIAN PAPER-MAKERS' ASSOCIATION.

B—ORAL.

**Evidence of Mr. R. W. MELLOR and Mr. E. C. GOSS (Titaghur
 Paper Mills Company, Limited), Mr. A. L. McLATCHIE and
 Mr. R. O. WEBSTER (Bengal Paper Mills Company,
 Limited), Mr. A. L. CAMERON (India Paper Pulp
 Company, Limited), and Mr. F. D. PUDUMJEE
 (Deccan Paper Mills Company, Limited)**
**recorded at Calcutta on Monday, the
 29th July, 1935.**

President.—Mr. Mellor, I suppose you will be the chief spokesman on behalf of the Paper Makers' Association.

Mr. Mellor.—Yes, mainly.

President.—You gentlemen represent altogether about 7 mills including those in Bombay Presidency?

Mr. Mellor.—Yes. I have been asked to say that the Upper India Couper Paper Mills of Lucknow are unable to send a representative owing to the unfortunate death of their Manager and the illness of their Director-in-Charge.

President.—In 1931 when the Board was investigating the question of substantive protection there were altogether 9 mills, out of which one was practically in liquidation, *viz.*, the Punjab Paper Mill. At present, however, there are only 7 mills working.

Mr. Mellor.—Yes.

President.—The Rajamandry Mill is not included in that list?

Mr. Mellor.—No, nor the Punalur Paper Mill in Travancore.

President.—The Travancore Mill has not supplied us any figures of their output?

Mr. Mellor.—No. They are manufacturing mainly browns. I don't think they have made very much of other kinds.

President.—They are not manufacturing any printing or writing paper?

Mr. Mellor.—Not much: only a very, very small quantity. I think they are mainly on browns.

President.—Do I understand that the figures of output given in your replies include all the seven mills?

Mr. Mellor.—Yes.

President.—In 1930-31, the total production of the 9 mills was 39,587 tons but in 1934-35, the output has gone up to 44,326 although only 7 of them are working.

Mr. Mellor.—Yes.

President.—Therefore there has been an increase of 10 per cent.?

Mr. Mellor.—Yes.

President.—I think that it is necessary before we discuss your replies to clarify the issue which the Board is asked to investigate, so that there may not be any room for irrelevant arguments or unnecessary waste of time. The Government of India's Resolution was published on the 25th of May, 1935, in which you will find the following:—"The Government of India consider that in the circumstances the question should be investigated by the Tariff Board. They have decided therefore to ask the Board to examine

the classification of paper for tariff purposes with a view to recommending such changes as may be considered necessary to give effect to the intentions of the Legislature in granting protection to printing and writing papers under the Bamboo Industry (Protection) Act, 1932." The Board's main task is to examine the existing classification of paper and make such recommendations as would be consistent with the Tariff Board reports that have been accepted by the Legislature. You are aware that there have been three reports of the Board on paper. The reason why I wish to make this clear is to draw your pointed attention to the question of protection to the printing paper in which the newsprint is included. The Board has issued a questionnaire to all interested to find out whether it is possible to distinguish printing paper from writing paper. It appears from the replies we have been received that though almost all the people have made an effort to define these papers, the conclusion that all of them have come to is that it is very difficult to clearly demarcate one from the other. In reply to question 1, you yourself have said that barring the question of the degree of sizing, it is not possible to define or distinguish correctly the writing paper from the printing paper. Is that a correct statement of your position?

Mr. Mellor.—Yes.

President.—The Customs authorities under these difficult circumstances have been distinguishing writing paper from printing paper for assessment purposes but I understand that there exists some misunderstanding with regard to this method which requires to be explained. According to the present Tariff Schedule, all writing paper is protected but the printing paper is divided into two classes according to the contents of the paper. If the appraiser finds that a particular paper is a writing paper then it is immaterial for tariff purposes to examine the question of its mechanical pulp content. It is only when it is declared as a printing paper that 70 per cent. and more is assessed at the revenue rate of duty. I suppose you are aware of this procedure. Would you regard it as satisfactory and would you agree when I say that it carries out the intentions of the Legislature?

Mr. Mellor.—As far as I know, they have been doing the work very well.

President.—Probably the only difficulty would be with regard to the suggestion which you have made concerning antique laid and wove. There is such a name in vogue with regard to the writing as well as the printing paper. But I am given to understand that as far as the printing paper is concerned, the paper which comes under the name of antique laid and wove is generally a wood-free paper.

Mr. Cameron.—I think there is some misunderstanding because we do not know of any writing paper under the name of antique laid.

President.—I am talking of the printing paper. There is one class of printing paper in regard to which there might be some misunderstanding. That is why mention is made of the antique wove as printing paper in your representation, and I say that that paper may not give any difficulty because it is wood-free and therefore must come under protection.

Mr. Cameron.—It is not necessarily a wood-free paper, but its other characteristics are such as would render it unsuitable for writing. It has a rough finish which is unsuitable for writing.

President.—If it contained mechanical pulp, there might be some reason to dispute, but as there is no mechanical wood pulp in this paper, the question does not arise because all wood-free papers, unless they are specifically exempted, pay the protective duty.

Mr. Goss.—Actually Antique comes in with mechanical wood pulp.

President.—Have you seen any consignment?

Mr. Goss.—Yes.

President.—Since when?

Mr. Goss.—I should say for the last two or three years. I have got a letter from the importer of mechanical antique.

President.—Containing 70 per cent. and above mechanical wood pulp?

Mr. Goss.—Yes. That is really an imitation antique, but it is brought in under antique.

President.—I made enquiries from the Customs department but they said that they had not noticed any.

Mr. Goss.—I have got here a letter from an importer.

President.—It has not come through this port; perhaps it is a quotation.

Mr. Goss.—It is actually a quotation from an importer, *ex-Godown*.

Mr. Mellor.—Is it Calcutta or Bombay?

Mr. Goss.—Calcutta.

Mr. McLatchie.—It might have been very difficult to trace under which heading it was imported.

President.—Generally speaking, I think we may assume that what at present comes in under this class is probably wood-free.

Mr. McLatchie.—Yes, the bulk of it.

President.—Let me first take up the question of newsprint. I understand that your point of view is that when the Board recommended protection to the printing paper it exempted newsprint only and defined that paper as containing not less than 70 per cent. of mechanical wood pulp. Am I right in this supposition?

Mr. Mellor.—Mainly on that ground but it does now compete with our cheaper papers.

President.—If you will read carefully you will notice that the Board in 1931 excluded from protection every printing paper that contained not less than 70 per cent. mechanical wood pulp and not newsprint only.

Mr. Mellor.—Yes, primarily.

President.—You will agree that newsprint is one class of printing paper, may be an important class. The Tariff Board's recommendation is contained on page 99 of their report.

Mr. Mellor.—It was mainly because it did not compete with the Indian mills production at that time and partly because of price.

President.—The high percentaged mechanical papers are cheap.

Mr. Mellor.—Yes.

President.—It is better that I should clear this point and also point out that the present Board has no power to alter the protection granted by the Board and accepted by the Legislature. The exemption was for all cheap papers with which the mills could not hope to compete.

Mr. Mellor.—Sir George Rainy said in the very first Tariff Board enquiry that no doubt paper-makers abroad would use their ingenuity to get round the tariff that way. Our point is that they have now done so.

President.—If you will remember, this point was gone into in all its details in 1927 report.

Mr. Mellor.—Yes.

President.—All the arguments that you have now put forward were forwarded in 1927 and it was held that the intention of the Legislature was not only to exclude newsprint but also the printing paper containing not less than 70 per cent. mechanical wood pulp.

Mr. Cameron.—Our case is a little different this time. We base our case very largely on the Commerce Member's speech in the Assembly. In the course of his speech he said the following:—"It is not in the least the intention of Government to make any substantial change in the law or rather in the practical enforcement of the law, but what we are anxious to avoid is the retention of a provision in the law which leads to the admission into India at the lower rate of duty of a paper which is definitely of a higher class than newsprint in the ordinary accepted sense." We base our case very largely on that and also on the sentence in the Resolution

which started the present enquiry, "In their view the definition of articles to which the protective tariff should apply was one which should indicate as precisely as possible the intention of the Legislature and should be so framed as to include any such articles as can be produced economically in the country or may compete with an indigenous product".

President.—I am aware of the Resolution referred by you. What you say is perfectly true, but I am now confining my attention to the terms of reference of the present Board. It would have been perfectly relevant if you had raised that point when the question of substantive protection was under consideration. At present the Board is asked to classify the writing and printing paper and give decisions on the controversial classes. I have already indicated that we have to group paper in such a manner that it would lessen the hardship to the trade but not inconsistent with the intention of the Legislature. The intention of the Legislature was that printing paper containing 70 per cent. and more of mechanical wood pulp should pay a revenue duty. It would be impossible for us to say that it should now be assessed at the protective duty because it would widen the scope of the inquiry.

Mr. Cameron.—There is some doubt in our minds on that by reason of the Commerce Member's speech which I just read in which he said that speaking as Commerce Member—in addition, he had previously been President of the original Tariff Board which investigated this matter, and was particularly well informed on these points—Government were anxious to avoid "the retention of a provision in the law which leads to the admission into India at the lower rate of duty of a paper which is definitely of a higher class than newsprint in the ordinary accepted sense," from which we conclude that he was not entirely satisfied that the tariff definition as it then stood drew a sufficiently clear line between newsprint in the ordinary accepted sense (which was to be exempted) and certain superior qualities which he implied it was not the intention of the Legislature to exempt.

President.—I think your point would be better met when we will examine the question of the prices of various papers. I think the intention of the Legislature, even taking into consideration the Commerce Member's speech, is quite clear. In 1931 the Board recommended that papers of printing class and not newsprint class alone containing 70 per cent. and more of mechanical wood pulp should pay revenue duty. Therefore in spite of the Hon'ble the then Commerce Member's speech, one can only be guided by what has actually been accepted on the recommendation of the Tariff Board of 1931. In 1931, the Board did not say that they were excluding printing paper containing 70 per cent. and more meaning only newsprint. They said over and above the newsprint class they were excluding a large number of cheap papers with which the Industry could not hope to compete.

Mr. Cameron.—At the same time, you will remember that the last Tariff Board made a recommendation that the Tariff Schedule should be re-examined as early as possible.

President.—They recommended that the Tariff Schedule dealing with printing and writing papers should be examined by a Conference on the understanding that what they had recommended would be accepted. They could not possibly mean to convey that a Conference could change their recommendations.

Mr. Mellor.—No. We have understood the recommendation to mean that they felt that amplification of the tariff was necessary to distinguish between very many kinds of paper.

President.—That is the function of the present Tariff Board arising out of that recommendation. During our examination we shall certainly consider whether any printing paper has been put into a wrong class and thereby increased competition against Indian made paper. We can only ascertain by going into the question of prices. We will thereby be able to find out whether your contention is correct with regard to the papers which you say are competing with indigenous products. There is only one class paper

which may be doing harm but on quite a different ground. But I had better take the newsprint papers one by one, so that we can have a clear idea as to the extent of competition. Let me take first unglazed news

Mr. Mellor.—You are now asking what papers compete with our ordinary low classes.

President.—I am taking those papers which are at present being imported under the non-protected class and which you say ought to go under the protected class. I want to find out how far your statement can be supported by the price factor.

Mr. Mellor.—We give that information in our answer to question 8 (a).

President.—I am referring to all those papers which were discussed at the time of the 1927 enquiry. They are common news unglazed, common news glazed, coloured glazed and coloured glazed thin cover and it was stated by you that these papers were competing with Indian made papers such as white printing, ivory finished and coloured printing glazed. Are these the classes which you have now in view?

Mr. Mellor.—Yes and we now say that it is a very much fuller list now.

President.—Can you give us the prices of the papers mentioned by you in answer to question 8 (a)?

Mr. Mellor.—We give them in Statement C.

Mr. Cameron.—M. F. White Printing would correspond to Glazed White Woodfree of which we give the price in Statement C.

President.—I would rather like to know the most current prices.

Mr. Cameron.—These are all latest prices. 1934-35 figures represent current prices.

President.—What is the price of the first class—M. F. White Printing?

Mr. Mellor.—1933-34 price we have given as As. 3/1-79.

President.—You have not got prices for 1934-35?

Mr. Mellor.—It is very much the same as for Super-calendered white printing paper, wood-free.

President.—That is £11?

Mr. Mellor.—We are referring to the fourth item from the bottom of page 3.

President.—Super-calendered white wood-free printing?

Mr. Mellor.—Yes, that is £19-10.

President.—This is already a protected paper.

Mr. Goss.—You asked what classes would compete.

President.—All we are concerned with is whether there is any paper which is now coming in as printing paper, and which is being classed as newsprint. I need hardly add that this Board has no power to increase or decrease the amount of protection. This paper is already a protected paper. That is why I was taking the four classes mentioned by you in 1927 with their recent prices to see the difference after adding the protective duty.

Mr. Mellor.—It does compete but it is not unfair competition.

President.—I am glad to learn that and I hope Mr. Cameron would agree inspite of the speech of the Commerce Member on which he relies for his support.

Mr. Mellor.—You can take M. F. White Printing (70 per cent. mechanical, glazed and unglazed).

President.—What is the price shown in Statement C?

Mr. Mellor.—One is Mechanical Glazed Magazine Printing £13/5 and the other is Glazed coloured printing (containing 70 per cent. mechanical) £15/5.

President.—These prices are Madras and Rangoon prices. Can you give us Calcutta prices?

Mr. Mellor.—There isn't much difference between Calcutta port prices and Madras and Rangoon port prices.

Mr. Cameron.—There is very little difference because the freights are very nearly the same.

President.—Then you say Glazed Coloured Printing.

Mr. Mellor.—Yes and then Super-calendered Buff and Buff Badami full sized.

President.—Let us take these four for the purpose of comparison.

Mr. Batheja.—All these four contain mechanical wood pulp?

Mr. Mellor.—They do. Similarly even the first three might be put in the same category.

Mr. Batheja.—They are between £10 and £13?

Mr. Mellor.—Yes if you take the white.

President.—Before I go into details I would like to know what is the average price which the mills are realizing for their paper. May I take it as 3 annas 4 pies per pound?

Mr. Batheja.—Do you mind indicating the classes of paper which compete with these?

Mr. Goss.—The first seven in our answer to question 8 (a).

President.—That is why I have taken the average price of 3 annas 4 pies per lb.

Mr. Goss.—We mention Glazed Buff. That goes against our Badami. There is another item of imported paper, Buff Badami full sized (containing 70 per cent. mechanical). That will compete with our Badami paper.

President.—Buff Badami full sized is £14/15 c.i.f. Rangoon?

Mr. Goss.—Yes.

President.—And your price would be 3 annas 4 pies for all other papers except Buff or Badami?

Mr. Goss.—Yes.

President.—The fair selling price which was assumed by the Tariff Board in 1931 was 3 annas 5·25 pies per lb, and with duty it works out at Rs. 464 per ton. Let us take £10 to £13 per ton for the first class. £13 per ton would be equivalent to Rs. 173 roughly.

Mr. Mellor.—In our Statement C we give the prices in annas.

President.—I would rather like to have it worked out into prices per ton for easy comparison.

Mr. Mellor.—One anna 7 pies is about Rs. 224 a ton.

President.—I am taking £13; that comes to about Rs. 173 per ton. The present protective duty is 1 anna 3 pies which works out at Rs. 175 per ton: I am taking landing charges at approximately Rs. 8. That means Rs. 356 as against Rs. 464 per ton.

Mr. Mellor.—What is Rs. 464?

President.—That is the fair selling price which was fixed by Board in 1931 when they recommended protection (page 92 of 1931 Report).

Mr. Cameron.—I think that is the ex-mill selling price.

President.—That makes very little difference.

Mr. Mellor.—You will find in our Statement B how the prices vary in different markets.

President.—I am now taking the prices of the Calcutta market, and the maximum given by you for this class of paper is £13 per ton.

Mr. Mellor.—The Calcutta prices that we get are the best prices although we sell only a portion of our production here.

President.—That may be true. But I find that even if I add the surcharge the difference between the two prices is rather large. It will unnecessarily burden the consumer without benefiting the industry. I shall deal

with the question of imitation art just now because I find the competition is due to the calculation of the duty on Tariff Value, which is very much less than its market value. The price of mechanical art or imitation art is somewhere about £28 per ton.

Mr. Goss.—You are referring to white coated art paper containing more than 70 per cent. mechanical against imitation art?

President.—Yes, that is the paper about which you have complained in your representation. That is paying a lower rate of duty, though the price of that paper is considerably higher.

Mr. Goss.—Yes.

President.—This complaint appears to be justified, because this paper containing 70 per cent. and above mechanical wood pulp is at present assessed on the value of 1 anna 1 pie per pound. What is the actual price?

Mr. Goss.—£26 or £28. Please see Statement C, page 3.

President.—White coated art paper, that is the mechanical art paper.

Mr. Goss.—Yes, £28.5.

President.—It is a Rangoon price.

Mr. Goss.—It would be slightly less. The Calcutta price would be £27.

President.—Let us take £27 which will be Rs. 360 per ton c.i.f.

Mr. Goss.—Yes.

President.—According to the tariff value, the price would be Rs. 151 per ton.

Mr. Goss.—Yes.

President.—The duty is calculated on Rs. 151 as against Rs. 360. The duty at the rate of 25 per cent. would be Rs. 37. If I add the landing charges of Rs. 6 per ton, the importer would be able to clear the paper at Rs. 403.

Mr. Mellor.—Yes.

President.—Whereas the price ought to be Rs. 450 per ton.

Mr. Mellor.—On the proper selling value.

President.—If you take the real value of the paper, the duty would be Rs. 90 as against Rs. 37. Therefore its cost to the importer would be Rs. 456 per ton.

Mr. Mellor.—Yes.

President.—What is the price of Indian Imitation Art in 1934-35?

Mr. Mellor.—3 annas 3 pies or Rs. 453 plus Rs. 11 or Rs. 464.

President.—There is no doubt from this comparison that if the duty is calculated on the real value the difference would be only Rs. 8 per ton and it would be a fair competition. But as regards the other papers which are non-protected, I find they are so cheap that it is impossible even with full protection for you to compete.

Mr. Mellor.—The Board is not entirely looking to the present day prices.

President.—The Board has to look at the current prices.

Mr. Mellor.—You are not entirely looking at the position of to-day. You are looking to the day when the industry will be developed and the manufacturing costs reduced.

President.—Half the period of protection is over and during the remaining period, do you mean to say that the cost price would be reduced by as much as Rs. 100 per ton?

Mr. Mellor.—Not that. If we were able to import a proportion of mechanical wood pulp, we might be able to compete with them.

President.—The portion of mechanical wood pulp which you are allowed to import was calculated by the Tariff Board in 1931 in arriving at the protective duty. You will notice that the additional sum of Rs. 19 per ton

was calculated as compensatory duty for the consideration of the amount of wood pulp which you will be using during the period of protection.

Mr. Mellor.—We cannot use any mechanical wood pulp at present.

President.—I don't see the reason. You have been given the necessary compensatory duty. The question has been carefully considered before the duty was fixed and I don't find any justification for the complaint.

Mr. McLatchie.—Not mechanical wood pulp.

Mr. Mellor.—Unfortunately when the pulp duty was put on, it was put on all pulp, even on mechanical wood pulp. It was not realised that the mechanical wood pulp paper was only subject to 25 per cent. revenue tax and that the mechanical wood pulp had to pay the same duty as the expensive chemical pulp.

President.—The Board's attention ought to have been drawn to that then because the present Board is not empowered to change the duty.

Mr. Mellor.—We have been drawing the attention of Government for the last two or three years.

President.—I have received a copy of the representation dealing with the question of duty on kraft and mechanical wood pulp.

Mr. Mellor.—The anomaly exists.

President.—The present Board, I am afraid, can't change that, because it is not within our terms of reference.

Mr. Mellor.—I am not sure. Undoubtedly the intention of the Legislature was to penalise the entry of chemical pulp.

President.—The intention must be dependent on the recommendations of the Board. At that time if you thought that a mistake was made, you should have asked one of the members of the Legislative Assembly to draw the attention of the Commerce Member before the act was passed. The present Tariff Board is not empowered to alter it even if it came to the conclusion that it was a hardship.

Mr. Mellor.—It is only within the last two or three years that we have been hard hit by this paper. It was too late to get it remedied.

Mr. Batheja.—The scheme of protection is based on the bamboo pulp, and not on the imported wood pulp.

Mr. Mellor.—Papers made from mechanical pulp come in and compete with the Indian low qualities or displace them altogether.

Mr. Batheja.—It is a bamboo paper which is protected.

Mr. Goss.—Some of them contain no bamboo.

Mr. Batheja.—They may be incidentally protected, but the measure of protection is based on the cost of bamboo and grass.

Mr. Goss.—Yes. When you say that we cannot compete with this paper even after adding the duty, because it comes in at such a cheap price, have you included Badami?

President.—I will take the Badami paper just now if you like. Calcutta has very little import. It comes chiefly through Bombay and Madras. Probably Mr. Pudumjee may be able to enlighten the Board. I am quite prepared to examine the question of Badami. But I must draw your attention that when the Board recommended protection it took the average price and not individual prices and therefore this point will have to be borne in mind when we discuss individual classes of paper. The average price fixed by the Board was 3 annas 5·25 pies per lb. What is the price of unglazed Badami?

Mr. Goss.—Actually glazed and unglazed are sold at the same price.

President.—I have got a price here for unglazed Badami given by a Bombay dealer, viz., £10-15 per ton.

Mr. Goss.—The hard sized Badami costs more, about £14-15.

President.—Are you selling Badami in Calcutta?

Mr. Mellor.—Yes.

President.—What is the mill price?

Mr. Mellor.—2 annas 1 pie to 2 annas 2 pies per lb.

President.—We have seen lower prices than £14-15. Are there different qualities?

Mr. Goss.—In a competitive line, the fully sized costs more. The price of £14-15 was a recent quotation.

President.—There can't be such a big difference.

Mr. Goss.—It also comes in as a coloured printing.

President.—Coloured printing is a class by itself.

Mr. Goss.—I have here the original quotation at the price I have mentioned,

President.—The selling price for Indian Badami is about 2 annas 9 pies.

Mr. Mellor.—Realised by whom?

President.—By the paper manufacturers. We have been supplied prices by the Controller of Printing and Stationery.

Mr. Cameron.—Government Badami corresponds much more closely to what is known in the market as Superior Badami. We have another quality which is called Superior Badami.

President.—What is the price of Superior Badami?

Mr. Cameron.—It is more or less in line with white printing. It is made in very much the same way. The only difference is it is slightly tinted.

President.—Badami is considered a printing paper but coloured.

Mr. Cameron.—It is made from a cheaper furnish.

President.—Is it made from rag and wastepaper?

Mr. Mellor.—Yes, largely.

President.—Is unglazed Badami inferior or common Badami?

Mr. Cameron.—Inferior Badami.

Mr. Goss.—£14-15 c.i.f. Rangoon would represent a price of about £13-15 c.i.f. Calcutta.

President.—According to you it must be £13 per ton.

Mr. Goss.—Yes.

President.—Still there is a very big difference between the two. I have seen Badami paper when I visited the Decean Paper Mills at Poona. I think Badami is more or less sold in the Bombay market.

Mr. Mellor.—It is also sold here.

Mr. Pudumjee.—As a matter of fact it is not sold much in Bombay. It is not used in the bazaar at all.

Mr. Batheja.—What sort of paper is used by railways?

Mr. Goss.—Could we take the Mysore State price? The Indian Trade Journal gives the price at which the order was placed. This would give the indication of the price.

President.—What is the price?

Mr. Goss.—1 anna 10 pies.

Mr. Mellor.—What do you want to get at?

President.—The difference of price between Indian and imported. The figure that I have got varies considerably from the figure which you give. The import price must resemble in some way your realised price.

Mr. Mellor.—The Madras Government this year bought it at £11 c.i.f.

President.—It is not very far from £10-15.

Mr. Mellor.—That was a very big quantity indeed. If a man buys one ton and another buys 500 tons, the price would be very different to each buyer.

President.—There is a gap between the prices in Bombay and Calcutta. The realised price in Bombay is 1 anna 9 pies and at Calcutta is 2 annas 1 pie to 2 annas 2 pies per lb. The price quoted by the Controller is 2 annas 9 pies. I must either get the average price or the price which is comparable to the quality which is being imported.

Mr. Mellor.—Take the cheapest price.

President.—That is £10-15.

Mr. Mellor.—As far as our realised price is concerned, you can take it that it is 2 annas 1 pie to 2 annas 2 pies. When competition is difficult we have gone below that.

Mr. Batheja.—Then you have gone below your cost of production.

Mr. Mellor.—Yes.

Mr. Batheja.—In estimating the competition, we must take into consideration your cost of production and your realised price. What is your price of Badami?

Mr. Mellor.—You mean what we would like to get?

Mr. Batheja.—Yes, after providing for depreciation and profit. After all, that is the price that is relevant for our purpose—not the price at which you may sell. You may sell it for half a rupee; that does not concern us.

President.—It would be better if we were to discuss this in the afternoon. But I am not sure what price I should take for discussion. I must at least have a price of the average quality.

Mr. Goss.—I should say the price of the average quality of Badami is £12.

Mr. Batheja.—What would be your price?

Mr. Goss.—Are you going to take the Calcutta price?

Mr. Mellor.—We have realised 2 annas 1 pie to 2 annas 2 pies.

President.—£12 means Rs. 160 per ton. That will be equivalent to 1 anna 2 pies per lb.

Mr. Mellor.—You mean c.i.f.?

President.—Yes. I will have to add the duty at 1 anna 3 pies per lb.

Mr. Mellor.—It comes to 2 annas 5 pies per lb.

President.—And the average price of your two qualities also comes to 2 annas 5 pies per lb.

Mr. Batheja.—Do you maintain that 2 annas 1 pie is a depressed price?

Mr. Mellor.—Yes.

Mr. Batheja.—It is not a fair price, is it?

Mr. Mellor.—No.

Mr. Batheja.—If you compare the price of your article with the price of the imported article, in any case the loss will be there whether you are protected or unprotected.

Mr. Mellor.—Not if we get the duty of 1 anna 3 pies added on.

Mr. Batheja.—If this Badami paper against which you complain so much is protected, the price does not come up to the fair selling price assumed by the Tariff Board in giving you protection, so that whether you are protected or unprotected, you are in the same position.

Mr. Mellor.—Mr. Pudumjee would be glad to get 2 annas 5 pies or 2 annas 6 pies.

President.—Taking the average c.i.f. price of £12 per ton, and adding the protective duty it comes to 2 annas 5 pies per lb. which is the average of the two qualities.

Mr. Pudumjee.—This is the lowest quality.

President.—£12 has been given to me by your Mr. Goss as the average imported price.

Mr. Pudumjee.—The Mysore State get it at 1 anna 10 pies per lb.

President.—I have taken the price which you consider as reasonable for the imported quality. The Calcutta price of Badami is 2 annas 1 pie to 2 annas 2 pies. The price realised by the sale of Badami to the Controller of Printing and Stationery is 2 annas 9 pies. The average works out to 2 annas 5 pies per lb.

Mr. Pudumjee.—You are comparing the lower quality.

President.—What is the meaning of average then? You have to take both the superior and inferior qualities.

Mr. Mellor.—1 anna 10 pies is the accepted price delivered at Mysore. It comes to 1 anna 7 pies here.

President.—In Madras the price is £11 per ton. I think the price given by Mr. Goss is a fair price. We shall leave it at that. I will now take up the question of wrapping and packing paper. It is outside the scope of the present enquiry, because it was excluded from protection by the previous Boards and we need not devote any time over this matter. In this connection we can only deal with those papers that may have been wrongly classed in the Tariff Schedule and are inconsistent with the intention of the Legislature.

Mr. Mellor.—Yes.

President.—I find that the question of boards also is not within the purview of the present enquiry. I thought it is better that I should make the position clear at the beginning, so that you might understand the limitations imposed upon the present Tariff Board enquiry.

Mr. Mellor.—Yes.

President.—As regards Badami, under what heading do the Customs classify it? It comes, I think, under the printing class.

Mr. Mellor.—Yes.

President.—As regards the Madras Government's tender and the Burma Government's tender, what was the specification?

Mr. McLatchie.—Simply glazed buff printing. They did not specify anything else.

President.—It was then left to them to choose whatever paper they liked.

Mr. McLatchie.—Yes.

President.—They did not order it through the Controller of Printing and Stationery?

Mr. Mellor.—No.

President.—They ordered it direct?

Mr. Mellor.—Yes.

Mr. McLatchie.—That is a great competitor and is taking away Badami business from the Indian mills.

President.—I will now take up the classes of paper about which there exists a good deal of controversy in the trade as to how they should be classified? But let me inquire first the maximum capacity of the present mills per year. May I assume that as 45,000 tons?

Mr. Mellor.—Do you mean could we turn out more than the present production?

President.—Yes.

Mr. Mellor.—Mr. Pudumjee says that he could turn out 1,300 tons more.

President.—If you remember, in 1931 the total production of all the mills was about 40,000 tons, and the total capacity of your mills was about 45,000 tons. I find you have practically reached that figure because you have already produced 44,326 tons in 1934-35.

Mr. Mellor.—Yes.

Mr. Pudumjee.—Our production could be increased by 1,300 tons. We were then manufacturing less than we were able to do.

President.—According to the Tariff Board report, you had 3 machines and were manufacturing about 4,000 tons.

Mr. Pudumjee.—We are now making less than 3,000 tons.

President.—What about the other mills?

Mr. Mellor.—It depends a good deal on the qualities—whether they are thick or thin weights.

Mr. Cameron.—Without adding a paper machine, as the years go by, improvements may be added which will enable the mills to produce slightly more.

President.—Though the number of machines remain the same.

Mr. Cameron.—Yes, and the increase will not be great.

Mr. Mellor.—We now make 50 per cent. more than we made 8 or 9 years ago.

President.—I take it that you are working to full capacity.

Mr. Mellor.—We can produce more. We have increased our production without adding to our machines.

President.—I had better take up the proposed Tariff Schedule and then the disputed papers?

Mr. Mellor.—You mean the draft schedule.

President.—Yes, the schedule you desired to substitute in place of that recommended by the Commerce Department.

Mr. Mellor.—That was in 1932.

President.—Yes, but with the additions you have made and sent in as the reply to one of our questions.

Mr. Mellor.—Yes.

President.—Take the existing Tariff Schedule, item No. 44. You have got there “articles made of papier maché”; then we have paste board, mill board and cardboard, all sorts other than straw board. You will realise that we cannot consider the question of board.

Mr. Goss.—Because you say it is neither a writing nor a printing paper?

Mr. Mellor.—It is a postcard paper; it is a heavy form of writing paper. Postcard is a writing paper.

President.—I think board as such was considered a class by itself and as such it is at present exempted. How are they made?

Mr. Mellor.—They are made of grass or pure chemical pulp of any kind, exactly the same furnish as white printing or cream laid.

President.—I find no mention of this in the previous reports. Since when have you been manufacturing boards?

Mr. Mellor.—We have always manufactured boards in certain quantities. Postcard is nothing else but writing paper.

President.—Postcards can be printed?

Mr. Mellor.—You can print on any writing paper; it may be azure laid or bank.

President.—I think boards as such have been excluded from protection. If you will see item No. 44 of the existing Tariff Schedule you will see it is put down as “Paper, including chrome, marble, flint, poster and stereo printing paper” and then “articles made of paper and papier maché” and then comes “pasteboard, millboard and cardboard, all sorts other than strawboard”. The Board has not taken any decision with regard to boards as such; they have only dealt with writing and printing paper. As for packing paper they definitely said that it should be excluded from the protective duty. Boards are a class by themselves. I don’t find any mention of these in the previous reports, and therefore I presume that either they were not made at that time or that the Board did not consider them sufficiently important to recommend protection.

Mr. Mellor.—We had not then felt the competition from the boards coming in.

President.—Exactly. That ties our hands down. We are not appointed for considering the question of substantive protection and it is difficult for us to recommend that boards as a class should be included in the writing or printing class.

Mr. Mellor.—We do not know under what heading they were coming in at that time. If people are importing these and making postcards, then they are definitely importing writing paper.

President.—It is very difficult for the Board to recommend protection without even knowing what the actual cost is.

Mr. Mellor.—It would be quite fair to have paper used as writing paper classed as writing paper.

President.—I cannot persuade myself to agree that the boards should come under writing paper "all other sorts". Writing paper "all other sorts" cannot possibly include boards.

Mr. Mellor.—It must be either printing or writing paper.

President.—No, it is a class by itself.

Mr. Cameron.—The present Tariff Schedule itself says, "Paper, including pasteboard, millboard and cardboard."

President.—It is put there simply because of the preferential revenue adopted owing to the Ottawa Agreement.

Mr. Mellor.—It would be tantamount to saying that when a paper is of certain thickness it goes into a certain class.

President.—I again repeat that it is very difficult for us to be convinced that boards can be classed as writing paper. If you stretch it like that even packing paper can be printed.

Mr. Mellor.—It is difficult for me to accept the view that postcard is not a writing paper. It is commonly known by the term "writing card".

President.—The Tariff Board, as you know, even before they received the Commerce Department file issued a questionnaire asking you whether there is any marked differentiation between various classes of paper. The trade has not been able to give us any satisfactory reply. I can only say that we shall give careful consideration to the point of view placed by you. Let me consider now the question of printed sheets unbound. Printed sheets are at present coming into this country in flat sheets to be made into books and your view is that it is doing harm to the Indian paper industry. They are being imported free of duty. Has the attention of Government been drawn to this?

Mr. Mellor.—Yes.

President.—What is their decision?

Mr. Mellor.—The Central Board of Revenue has decided that whether they are bound or not, they are books. They are printed in full sheets to be cut, put together, stitched and bound in India. It is a book in sheet form.

Mr. Goss.—It is a book in the process.

President.—Why is it sent like that?

Mr. Cameron.—Because binding is cheaper in India and they escape the protective duty on the paper.

President.—They must be paying printing charges abroad?

Mr. Cameron.—Printing may be cheaper abroad. We should like to record a protest against the ruling of the Central Board of Revenue.

President.—Now about the Poster Paper I understand your point is that instead of calling "Poster" it may be prefixed with the words "M. G.". But they will remain excluded from protection.

Mr. Pudumjee.—We have got a machine on which we can make M. G. Poster. Since this paper is not protected we are not able to put it on the market. We could produce 500 or 600 tons if protected.

President.—The first Tariff Board excluded it by name.

Mr. Pudumjee.—We have got the machine since 1923.

President.—In 1925 Chrome, Marble, Poster and Stereo had been definitely excluded and in 1931 Board endorsed the opinion of 1925.

Mr. Batheja.—Were you not producing poster paper at that time?

Mr. Pudumjee.—No.

Mr. Batheja.—Is there any Poster paper machine glazed which has been used for printing?

Mr. Mellor.—You can use this poster paper for any kind of printing on one side.

Mr. Batheja.—Why is it necessary to add M. G. to Poster paper?

Mr. Mellor.—M. G. Poster is only suitable for printing on one side.

Mr. Batheja.—What are the uses for Poster paper which you fear.

Mr. Mellor.—Ordinary Poster paper can be given any finish you like. If we do not call it M. G. Poster it can be used as ordinary white printing and pay only revenue duty.

Mr. Batheja.—Your contention is there may be Poster paper which is not machine glazed.

Mr. Cameron.—Ordinarily Poster paper as understood in the trade is M. G. paper but we want to make it clear.

President.—With regard to M. G. Pressings I find there has been a ruling by the Central Board of Revenue. You accept that ruling?

Mr. Mellor.—Yes.

President.—Their ruling is that M. G. Pressings used as cover papers should be classed as printing papers but below a substance of 24 lbs. demy.

Mr. Mellor.—Yes.

President.—And above that would go under wrapping paper if they are not coloured.

Mr. Mellor.—Yes.

President.—With regard to Manilla paper, machine glazed on unglazed, that is at present altogether excluded. You want it to come under the printing class; is that the point?

Mr. Goss.—We simply agree that it should be subject to a revenue duty only.

President.—Item No. 7 is not very clear.

Mr. Cameron.—All we are trying to do is to define Manilla paper.

President.—When you say paper containing not less than 70 per cent. mechanical wood pulp it does alter the position. You are putting it into another category.

Mr. Mellor.—We are not trying to alter the position in the Tariff Schedule . . .

President.—It does alter the position. You are now changing it from item 44 to 44 (1) or 44 (2).

Mr. Batheja.—Otherwise there is no point in having that modification?

President.—You agree to the existing tariff with regard to Manilla glazed or unglazed?

Mr. Mellor.—All that we attempt to do is to define it more definitely so that it should be quite easy to understand what Manilla paper is.

President.—As long as you agree that it should be classed under item 44 of the existing schedule the other point is not very important. We now come to packing and wrapping paper, including kraft. All packing and wrapping papers are excluded from the protective duty.

Mr. Pudumjee.—May I be allowed to revert to the question of Badami? In 1934-35 we sold to Government 232 tons of Badami, and in the market 786·4 tons. The import price of Badami of the cheapest kind was £10-15 per ton. Therefore the importers would get it at 2 annas 3½ pies per lb., if it came under the protective duty.

President.—It is stated by the Controller of Printing that out of 1,140 tons bought in 1934, 36 tons were from the Deccan Paper Mills Company, Limited, at 2 annas 8½ pies.

Mr. Pudumjee.—That I am leaving aside. 786 tons we have sold to the market for various purposes. Taking the imported Badami at the lowest price, £10-15, the importers would get it at 2 annas 3½ pies per lb., if we added the protective duty to it.

Mr. Batheja.—You calculated at 2 annas 5 pies.

Mr. Pudumjee.—That was for the superior quality.

President.—I think your spokesman after a great deal of consideration agreed that there are two or three different qualities of Badami and the prices vary from £10 to £14-15 per ton; the average then comes to 2 annas and 5 pies per lb.

Mr. Pudumjee.—We leave aside the superior quality.

President.—You want to make a profit on the higher quality as well as on the inferior quality.

Mr. Pudumjee.—Higher qualities are made from different materials altogether.

President.—But to the trade it is known as Superior Badami.

Mr. Pudumjee.—Superior Badami is a class by itself. The ordinary Badami which the Government take is a better class at 2 annas 2 pies.

President.—Let us take the lowest quality for purposes of discussion. It is £10-15 per ton c.i.f. Bombay.

Mr. Pudumjee.—Yes.

Mr. Mellor.—The present price of Government Badami is 2 annas 7½ pies.

Mr. McLatchie.—Of the total production of Badami that we make as shown in these figures (4,939 tons in 1933-34 and 4,693 tons in 1934-35) only a quarter is sold at a higher price and the balance at a lower price.

President.—Bulk of the Badami paper manufactured in India is of a lower quality and the average price realised is 2 annas 2 pies.

Mr. Pudumjee.—We will be content if we realise 2 annas per lb.

President.—Calcutta is already realising 2 annas 1 pie to 2 annas 2 pies per lb.

Mr. Mellor.—Mr. Pudumjee's price is slightly lower.

President.—May be according to quality.

Mr. Mellor.—We are all losing money on our Badami.

Mr. Pudumjee.—Our price is 1 anna 10 pies to 1 anna 11 pies.

Mr. Mellor.—If, as I say, imported paper comes under the protective duty, we shall be able to put our paper on the market.

President.—May I draw your attention to one fact? You told me some time back that Badami paper is classed as printing paper. Then it is already a protected paper if it contains less than 70 per cent. mechanical wood pulp.

Mr. Pudumjee.—We want it to be protected. It is used for writing purposes.

President.—It is a protected paper.

Mr. Pudumjee.—All imported Badami papers contain more than 70 per cent. mechanical pulp.

President.—How can you then protect it?

Mr. Goss.—It comes in as printing paper.

Mr. Pudumjee.—If it were soft sized we would not mind it. But it is hard sized and should be protected.

President.—It is protected under the printing class.

Mr. Pudumjee.—They all contain 70 per cent. and more.

President.—So far you have not suggested either in your individual representation or in that of the Paper-makers' Association that you would like Badami to be classed as writing paper. You now desire that the Board should consider the question of placing this paper under the writing paper because of its use in India.

Mr. Mellor.—One of these papers here is used for D. O. purposes.

President.—I have already taken note of your suggestion. I will take Badami paper regarding which the Paper-makers' Association would like the Board to give a decision. That is the only point to which you wish to draw my attention.

Mr. Mellor.—All papers which are hard sized.

President.—It is quite possible to differentiate hard sized from soft sized for Customs purposes.

Mr. Mellor.—With regard to sizing there is no difficulty.

President.—I know that. But you would definitely like to class all Badami hard sized as writing paper.

Mr. Mellor.—Yes.

Mr. Batheja.—What is the foreign name of Badami?

Mr. Pudumjee.—Buff coloured glazed mechanical, and sometimes rough. It comes in as mechanical printing paper.

President.—*Mr. Pudumjee*, I had better complete the discussion about Badami. Are there many qualities of Badami that are being made in India?

Mr. Pudumjee.—No. First of all there is the better quality of Badami required by the Government.

President.—Is that Superior Badami?

Mr. Pudumjee.—That is different. The Superior Badami is almost the same quality as White Printings. The material is the same. The cheaper kinds of ordinary Badamis are sold in the market, especially in the Punjab, Delhi, etc.

President.—Is it a hard sized paper?

Mr. Pudumjee.—Yes.

President.—What about those coming into India?

Mr. Pudumjee.—Some are soft sized, but most of them are hard sized. Most of them are meant for writing purposes only. About 95 per cent. would be hard sized.

Mr. Mellor.—Badami is a peculiarly Indian quality and no importer, as a rule, imports it from abroad as Badami. It is seldom called Badami. Other qualities of paper are taking the place of Badami.

President.—In your reply to the questionnaire you have shown an imported paper by the name of Badami. I wonder whether it is coming in as Badami.

Mr. Mellor.—It does not come in as Badami except in rare cases. It is coming in a cheap form of mechanical coloured printing hard sized which can be used either for printing or writing. It is mainly used for writing. Those used for the printing of railway forms, etc., can be written on.

President.—The Customs have been classifying that, so far, as printing paper.

Mr. Mellor.—I am not sure that is correct. It is a paper with a dual purpose, but it is printed on in order to make it easy for people to write on in proper forms, but it is really meant to be written on.

Mr. Batheja.—Are those your samples?

Mr. Pudumjee.—Yes, Badami in different shades.

Mr. Mellor.—Badami is an Indian name.

President.—When you want this paper to be classified as writing paper it must be defined in such a way as it would make it easy for distinguishing it by the Customs.

Mr. Mellor.—As far as we are concerned, it is called Badami. There is no mill outside India making it. Badami is not a trade name outside India.

President.—Is it a trade name in India?

Mr. Mellor.—Yes. It comes in under other names.

President.—What are those names?

Mr. Mellor.—Unglazed buff, for example.

Mr. Batheja.—Buff glazed, polished, hard sized.

Mr. Mellor.—That is what we call Badami.

Mr. Batheja.—Paper coming into India is taxed partly as revenue duty paying paper and partly as protected paper under item 44 (3), so that it is being protected even now.

Mr. Goss.—In some cases.

Mr. Batheja.—If it is suitable for writing and contains mechanical wood pulp, then it is taxed as writing paper and pays duty under item No. 44 (3).

Mr. Goss.—Yes, if declared as writing.

Mr. Batheja.—If that is so, you have got no ground for complaint.

Mr. Goss.—Buff Badami 70 per cent. mechanical fully sized, if they call it Badami or Buff printing, I take it, would not come under the protective duty. On the one hand they call it printing and yet specify it as fully sized.

Mr. Batheja.—If it is printing, it would pay the protective duty, if the mechanical pulp contains less than 70 per cent.

Mr. Goss.—The mere fact that it is fully sized makes it a writing paper.

Mr. Batheja.—If it is fully sized, it is supposed to be writing paper and therefore is taxed as writing paper.

President.—The Board will consider this aspect of the question which you have put forward. £10-15 per ton is the price of the lowest quality.

Mr. Pudumjee.—Yes.

President.—That works out to 1 anna or 1 anna 1 pie per lb. ex-duty and 2 annas 3 pies or 2 annas 4 pies with the protective duty.

Mr. Mellor.—There are other qualities, which also take the place of our paper, costing £14 or £15 or £16 where the quality is much better. First of all you took the very lowest, £10-15.

President.—I took the average at the very beginning of our discussion.

Mr. Mellor.—There are papers costing £14, £15 and £16 as well which also tend to knock out our lines. We should have much more chance of competing with the protective duty on these lines.

President.—The point is difficult to understand. If they are printing paper they are already being protected if they contain less than 70 per cent. mechanical wood pulp.

Mr. Pudumjee.—If they are over 70 per cent.?

President.—They will be paying only revenue duty if they are classed as printing paper.

Mr. Batheja.—At least in the Calcutta Custom House.

Mr. Pudumjee.—The Madras Government take about 700 to 800 tons of Badami paper containing more than 70 per cent. mechanical pulp without paying the protective duty: yet most of it is used for writing.

President.—Before the Board comes to a decision they will have to take into consideration the question of sizing, finish, and substance.

Mr. Mellor.—For both writing and printing?

President.—Those papers which are supposed to serve dual purpose are termed as controversial papers and therefore as I told you, our intention is to give our decision on those papers.

Mr. Goss.—We say it is a writing paper and therefore it should come in as a writing paper.

Mr. Mellor.—No matter what it is called in the invoice.

Mr. Batheja.—According to the amount of sizing it contains, can it be called writing or printing paper? Can you give the physical attributes in terms of figures?

Mr. Mellor.—The simplest test is—can you write on it without the ink spreading on it? The technical staff could frame a definition on the basis of a water test or a sizing test on the lines of the American test.

Mr. Batheja.—Can you suggest the presence of a certain amount of sizing as constituting a Badami paper?

Mr. Mellor.—I could not say off hand.

Mr. Goss.—We can definitely say that newsprint will not stand writing with pen and ink.

Mr. Batheja.—There are people who can write even on a rough paper and there are others who may not be able to write even on a smooth paper. We don't want to leave it to the varying temperaments of the writers.

Mr. Cameron.—There are various standard tests to determine the degree of sizing and if we know what is proposed as a standard test by the Customs, then in terms of that we can define the degree of sizing.

Mr. Batheja.—Have you no suggestions to make?

Mr. Cameron.—Not unless we know what test is proposed to be used.

Mr. Mellor.—There are ways of doing it.

President.—The Board has not considered this point and I can only say that the Board is prepared to consider any new point which you would like to put forward. Now we will take up the question of definition of newsprint. You have drawn the attention of the Tariff Board with regard to the large importation of newsprint. According to the graph submitted in the representation of the Government of His Exalted Highness the Nizam, I find in 1929-30 it was 5,099 tons and in 1934-35 it has gone up to 25,556 tons. This shows an enormous increase in the import of newsprint. I don't think that it is your contention that it should be classed in any other manner, but what you want is that the import of newsprint should be restricted to a particular sizing.

Mr. Mellor.—To be soft sized and to be of a certain substance and weight.

President.—What is your ground for restricting it to a particular substance? You have also stated that the Board should consult newspapers on the subject.

Mr. Mellor.—Well known newspapers have agreed on this definition. "The Statesman", I think, has already written to the Commerce Department.

President.—But I am afraid the list given by "The Statesman" cannot be regarded as a complete one?

Mr. Mellor.—By no means complete.

President.—The question about licensing was discussed by the Board in the previous enquiries, and it has been definitely turned down.

Mr. Mellor.—Yes.

President.—It has been held that the licensing system is not a workable proposition.

Mr. Mellor.—We have never desired that proper newsprint should be protected. This was a way out which we thought might be a feasible proposition for Government to adopt.

President.—Your object is to define the newsprint and group all the other printing papers as protected.

Mr. Mellor.—Yes.

President.—And do away also with the mechanical test?

Mr. Mellor.—The mechanical test would still be there. The newsprint must contain 70 per cent. of mechanical wood pulp of the total fibre.

President.—What then?

Mr. Mellor.—If it conforms to this test, it comes in free; if it does not, it pays the protective duty.

President.—One of the leading newspapers of Bombay in its representation desires that £17 should be raised to £30.

Mr. Mellor.—If you agree to the sizing we should not mind about substance. If you agree to a definition of sizing, it should be definitely soft sized.

President.—My idea is this. It is not possible for the Board to accept any definition of newsprint unless the object is in consonance with the views of the Board. The Board's recommendation is that all printing paper containing not less than 70 per cent. mechanical wood pulp should pay revenue duty. This is in itself a definition.

Mr. Mellor.—We do submit that the intention of Government was not to allow superior mechanical pulp paper to come in as newsprint.

President.—It is not coming in as newsprint.

Mr. Mellor.—It does, I think.

President.—It comes in as printing paper.

Mr. Mellor.—Yes.

President.—If it is coming in as printing paper containing 70 per cent. and more of mechanical wood pulp, it is automatically non-protected and I don't see how the present Board can alter the percentage.

Mr. Mellor.—You remember the speech of the Hon'ble the Commerce Member in the Assembly where he said, "It is not in the least the intention of Government to make any substantial change in the law or rather in the practical enforcement of the law but what we are anxious to avoid is the retention of a provision in the law which leads to the admission into India at the lower rate of duty of a paper which is definitely of a higher class than newsprint in the ordinary accepted sense". We wish to keep out a paper which is definitely higher than newsprint in the ordinary accepted sense.

President.—You know there was an inquiry in 1927 as to how the duty should be assessed whether on the weight or the fibre content.

Mr. Mellor.—Yes.

President.—All these points including the American standard definition were before the Board and they came to the conclusion that so long as the intention of the Legislature was to protect all cheap classes of printing paper, it was difficult to say that only newsprint should be unprotected and all the rest protected. Arguments have been very clearly brought out in that report.

Mr. Mellor.—This was in 1932. The Commerce Member said in the course of his speech in the Assembly that the intention of Government and the Legislature was definitely not to allow into the country this higher class of newsprint.

President.—The intention has been translated into action in the Tariff Schedule.

Mr. Mellor.—This was the spirit of the intention of the Legislature.

President.—If what you say is true then all printing paper should have been protected barring newsprint.

Mr. Cameron.—In the course of the same speech to which reference had been made, Sir George Rainy made the point that there had not been

time for the Commerce Department to enquire as to the possible modification of the schedule, but he stated definitely that that was the intention of the Legislature. In the same speech he mentioned this as one of the guiding principles.

President.—That is true, but the point is that the modification of the Tariff Schedule cannot be inconsistent with the recommendations of the Board if they are accepted. That is the point which I want to bear in mind.

Mr. Mellor.—Are you not guided also by the spirit?

President.—The question of spirit can only come in if the letter of the law is not clear.

Mr. Mellor.—Even in the first Tariff Board report, they definitely said . . .

President.—But it was modified in the report of 1931.

Mr. Mellor.—They discussed all other papers such as coloured paper, blotting paper, etc., which might or might not be writing or printing paper. Blotting paper was definitely excluded because of its price.

President.—Yes.

Mr. Mellor.—And yet in the final tariff they only dealt with the writing and printing paper.

President.—This is what the Board say in their 1931 report:—"Printing paper in which the mechanical wood pulp amounts to not less than 65 per cent. of the fibre content, and packing and wrapping papers will for reasons which we have stated continue liable to the revenue duty". They definitely say printing paper. You can also read the discussion of the question of newsprint in paragraph 100 of the same report.

Mr. Mellor.—In the first Tariff Board report, they defined newsprint in such a manner for Customs purposes as not to lead to the admission into the country at the lower rate of duty of a paper which was of a higher class than newsprint because such papers competed with lower grade papers made by some of the Indian mills. That was definitely the line they took.

President.—That may be an argument, but the conclusion is obvious.

Mr. Mellor.—Can you separate them?

President.—Printing paper is not newsprint. Newsprint is only one of the classes of printing paper. There are so many papers which can be classed as printing paper. Therefore if the intention was only to exclude newsprint, they could have easily said newsprint containing so much percentage of mechanical wood pulp and that would have obviated all difficulties. You had yourself suggested something of this sort; yet they did not agree to exclude only newsprint. They said that all printing paper containing below 70 per cent. mechanical wood pulp should be protected.

Mr. Mellor.—I think at that time the Board did not realise that paper containing as much as 70 per cent. mechanical wood pulp could be used for anything else except for newspaper printing.

President.—I think they also mentioned cheap periodicals, magazines, etc.

Mr. Mellor.—It was realised even at the time of the first Tariff Board that if you got down to 60 per cent., you would get a paper which could compete with the lower qualities of paper made by the Indian Mills. They thought that by fixing the percentage at 65 they would safeguard the other papers. But Sir George Rainy was apprehensive that the manufacturers would exercise their ingenuity to get round the duty. Our submission is that they have done so.

President.—I went over with you this morning about the price factor and it was evident that even with present protective duty, you would not be able to compete. The difference between the two prices was as much as Rs. 100

Mr. Mellor.—It is quite possible that prices may go up in other countries and that prices in India may go down.

President.—In 1927 the prices ranged from £22 to £27. Even then the gap was too wide. I have gone into such a length only to satisfy you and convince you of the position taken by the Board.

Mr. Goss.—So far as we are concerned, these papers will not be writings if you accept the definition of "soft sized" which we have suggested.

President.—Do you mean the definition of printing paper?

Mr. Goss.—The definition of newsprint given on page 6 of our written statement. This paper (sample shewn) though a writing paper is coming in as newsprint.

President.—You must understand the procedure. The present procedure is that the Customs authorities do not recognise any paper by name. They have an appraiser duly qualified who examines a paper from a consignment and decides whether it is a writing or printing paper according to the method laid down for distinguishing one class from the other namely whether it has quick drying power, the degree of sizing, etc. If the paper is declared as writing paper, it is not tested. If it is declared as printing paper, then it may be tested if he feels doubtful as to its contents.

Mr. Goss.—This paper is declared as printing paper and comes in as printing paper and yet it is fully sized.

President.—If you can help the Board with any concrete proposals by which one can say definitely that a particular paper is printing or writing paper, we shall certainly consider the suggestion and obtain such technical advice as may be available.

Mr. Mellor.—Newsprint has been defined.

President.—Newsprint is a class of printing paper. If you can define printing paper properly, then this difficulty pointed out by you of writing paper being classed as printing paper can be avoided.

Mr. Mellor.—I don't blame the Customs.

Mr. Goss.—It is a writing paper (exerciso book paper) which is coming in as a printing paper. In distinguishing writing paper from printing paper, sizing is an important consideration.

President.—According to you this paper should be classed as a ruled or printed writing paper.

Mr. Goss.—It does not come in as ruled. It is imported in a printing size and cut up in this country to ordinary writing foolscap size.

President.—This is, according to our technical expert, definitely a printing paper.

Mr. Goss.—Why?

President.—His point is that the ruled lines are visible on the other side. There is bound to be a controversy in regard to border line cases unless something definite is laid down.

Mr. Goss.—This paper is coming in for writing only.

President.—But it is classed by the Customs as a printing paper. It is for the manufacturers to suggest a better definition to relieve ambiguity. That is the only possible solution of the difficulty.

Mr. Mellor.—How do you propose to deal with a paper which is used both for writing and printing?

President.—In these circumstances we have to leave it to the Customs authorities to decide.

Mr. Mellor.—Simply make it soft sized.

President.—To what extent. There must be some limitation, as to what should be considered as soft sized.

Mr. Pudumjee.—There are certain methods of testing which show definitely the degree of sizing. There are several tests for it.

President.—We shall make enquiries. Now let us take item No. 10 in the proposed Tariff Schedule. You say, "Coated paper all sorts with the exception of those qualities containing mechanical wood pulp".

Mr. Mellor.—Yes.

Mr. Goss.—There are two kinds of coated papers, one coated on one side and the other coated on both sides. We intended pure wood-free coated paper, whether coated on one side or both sides, except mechanical art.

President.—Coated paper is a general term.

Mr. Goss.—You can say "art paper and chromo paper with the exception of those qualities which contain mechanical wood pulp". But coated paper is a much better term.

Mr. Batheja.—All coated papers must be wood-free?

Mr. Goss.—Yes.

Mr. Batheja.—Why do you make that exception?

Mr. Goss.—We do not compete with that class.

President.—Do I understand you to say that all coated papers which contain mechanical wood pulp must come under the printing class?

Mr. Goss.—If they contain only 50 per cent. mechanical they may compete with our ordinary printing even at a higher price.

President.—Your suggestion is this, that coated papers of all sorts which do not contain mechanical wood pulp should be excluded from protective duty. All coated papers will come automatically under the printing class and those containing 70 per cent. and above would be excluded.

Mr. Batheja.—Is it worth while to have the exception when the art papers are so expensive that they come in and pay revenue duty?

Mr. Goss.—They are expensive but if, say, it contains 50 per cent. mechanical pulp it ceases to be expensive and that would compete with our ordinary printing paper.

Mr. Batheja.—Is your fear based on experience or do you foresee something?

Mr. Goss.—It has been evidenced by the 70 per cent. mechanical art paper. It is definitely based on experience. Actually coated paper is subject to the protective duty at the present time but what we have really tried to make out is that it can come in unprotected provided it does not compete with our paper.

President.—You want all coated papers wood-free may pay revenue duty.

Mr. Batheja.—Below 70 per cent. would be protected and above 70 per cent. would be non-protected. It is so expensive that it does not matter whether it pays revenue duty or protective duty. In view of this consideration is it worth while retaining this proviso?

Mr. Goss.—Supposing the proviso was not there, they could use say 50 per cent. mechanical pulp and the effect would be that without adding the protective duty it would compete with ordinary white printing and Imitation Art paper.

Mr. Batheja.—If it is 50 per cent. it is protected. You want to put a higher duty than the protective duty. If it is 50 per cent. and it is protected, your object is attained.

Mr. Mellor.—If you do accept our newsprinting definition and if you are accepting this draft schedule we have drawn up.

Mr. Batheja.—I am accepting nothing at present.

Mr. Mellor.—Then 70 per cent. mechanical pulp art paper would not come under revenue duty. All these papers we have got here printing, Imitation Art, creamlaid, and wove, all these papers come in and pay protective duty.

President.—I have already told you that I cannot narrow the existing definition of printing paper because the protection given is for printing paper upto 70 per cent. mechanical wood pulp.

Mr. Mellor.—Without the proviso that we give in our definition of "coated paper, all sorts" it would not pay the protective duty.

President.—That is not necessary, but if you want to put it we shall consider. You want that all wood-free coated papers should come under this head and whatever is not wood-free should come under the Printing class.

Mr. Goss.—Common mechanical papers still pay the revenue duty even if it is coated . . .

President.—Coated paper includes paper like chromo marble, flint and so on.

Mr. Mellor.—We can easily add to that "Coated paper, including Imitation Art, chromo; that would amplify the position.

President.—Let us take No. 11 "Thin paper all sorts, of substance 18 x 22—7 lbs./500 or less". Does it mean coloured glazed thin and unglazed coloured thin?

Mr. Mellor.—Yes, both.

President.—With regard to unglazed coloured thin I find there is a Central Board of Revenue ruling in which they say there are two qualities of that paper which are exempted from the protective duty. One is the deep blue colour and another weighing $7\frac{1}{2}$ lbs. demy and under.

Mr. Mellor.— $7\frac{1}{2}$ lbs. and under come in free of duty. We ought to have said all sorts of colours.

President.—Except the two on which the Central Board of Revenue have given their ruling. What is the minimum substance of the Indian made papers?

Mr. Mellor.—Between demy 7 to $7\frac{1}{2}$ lbs.

President.—I find Manifold is 8 lbs.

Mr. Mellor.— 18×22 comes to 7 lbs. The actual paper we manufacture is between 7 and $7\frac{1}{2}$ lbs.

President.—I understand manifold paper is being classed as writing paper. *

Mr. Mellor.—It is writing paper.

President.—And unglazed coloured thin is printing paper?

Mr. Mellor.—Yes.

President.—Typewriting paper is writing paper. What about this airmail paper?

Mr. Mellor.—That is also writing paper.

President.—What is the minimum substance to which you can make any coloured printing paper?

Mr. Mellor.— 13×16 —6 lbs.

President.—Suppose we excluded paper between $7\frac{1}{2}$ and 10 lbs. from the protective duty?

Mr. Mellor.—There should be no objection to that.

President.—I now come to item 1 of those entries which you suggest should pay the protective duty. Are these the names of printing papers, given in 1 and 1 (a)?

Mr. Mellor.—Yes.

President.—Are these at present protected?

Mr. Mellor.—All protected except Duplicator Paper soft sized.

President.—There are two kinds of papers whose classification is in dispute, one is Cartridge paper and another is the Duplicator. With regard to cartridge paper I would like to know whether there is any Central Board of Revenue ruling on it.

Mr. Goss.—It has never been defined as either writing or printing but is classed as a separate quality the same as board.

President.—There are two kinds of cartridge paper according to the samples submitted: one is the drawing cartridge, and another white used for offset printing. I suppose Pastel Paper is also a writing paper?

Mr. Mellor.—It is really a drawing paper.

President.—Drawing cartridge, I understand, is at present classed under item 44 of the existing Tariff Schedule.

Mr. Mellor.—Yes, that is so.

President.—And the white cartridge which is classed as printing paper and pays duty according to its mechanical wood pulp contents?

Mr. Mellor.—That is offset Cartridge.

President.—That is same as white cartridge.

Mr. McLatchie.—A strong paper.

President.—What is the meaning of Offset Cartridge?

Mr. Mellor.—What is Cartridge Paper?

President.—The drawing Cartridge, I am told, has a rough surface and therefore is neither used for writing nor for printing purposes.

Mr. Mellor.—It depends on what you consider as Cartridge Paper.

Mr. Goss.—There is a minimum substance laid down by Customs for Drawing Cartridge and anything below that substance ($18 \times 23 - 28$ lbs.) would compete with our printing paper. That is to say the paper of lesser substance comes at the higher rate of duty.

President.—There is a class of cartridge which is protected.

Mr. Goss.—That is white offset Cartridge Paper.

President.—I want to know whether all these are printing classes.

Mr. Batheja.—Why do you want the Cartridge paper to be protected?

Mr. Mellor.—Because it is one of our lines which we can make and do make a big tonnage.

President.—You have seen the reference made in 1925 to Cartridge on page 120. They also want the cheaper quality of this paper to be protected. The only point is whether $18 \times 22 - 24$ lbs. is a good criterion and if it is, nothing more need be said.

Let us take the duplicator paper. That is one of the papers on which a great deal of controversy rages. You want it to be classed as printing paper.

Mr. Goss.—It is in effect a printing paper if it is soft sized.

President.—You want the soft sized to be classed as printing paper?

Mr. Mellor.—Yes.

President.—What about hard sized?

Mr. Mellor.—It is a writing paper. It is used for printing forms which are used in offices later on for writing. The fact is that it must be suitable for writing. The hard sized is subject to protective duty and the soft sized is subject to revenue duty.

President.—At present soft sized is coming under ordinary revenue duty.

Mr. Mellor.—Yes.

President.—I suppose that would be all right.

Mr. Mellor.—We say it should come under protective duty.

President.—You want both should come under protective duty.

Mr. Mellor.—Yes.

President.—What is the soft sized used for?

Mr. Mellor.—It is used for duplicating any printed matter.

President.—You say “Paper and printed paper in flat sheets”. What do you mean?

Mr. Mellor.—Sheets are coming in printed.

President.—You mean printed sheets. Except the last line in Item 2 under Writing Paper subject to protective duty, at present all these classes are classed as writing paper.

Mr. Mellor.—Yes.

President.—Blotting paper is at present coming under Item 44 on the ground that it is neither a printing nor a writing paper.

Mr. Mellor.—Yes, simply paper.

President.—In 1925 it was considered, but it was not protected on the ground of price.

Mr. Mellor.—Yes.

President.—There is no doubt that the mills were making Blotting Paper even at that time. Continental Blotting paper was imported in small quantities chiefly for interleaving diaries. I would like to know whether the Continental Blotting Papers are at present coming in and if so, at what price. Are they competing?

Mr. McLatchie.—German Mechanical Blotting paper is coming into India. I don't think we have given you the prices.

President.—You can get me that information. From which countries are they coming in and at what price?

Mr. McLatchie.—Yes. They come principally from Germany.

President.—Cover paper at present is coming in as printing paper.

Mr. Goss.—Yes.

President.—It is coming under Items 44 (1) and 44 (2) according to its mechanical wood-pulp content. We have already discussed the question of pulpboards. I want to understand the last item, "All other sorts not otherwise specified whether on reels in sheets or Angle cut". What is Angle cut?

Mr. Goss.—That is a paper which is specially cut to the size required for the manufacture of envelopes.

President.—It is not called envelope paper.

Mr. Goss.—We have no such trade name in India.

President.—Sulphite envelope we have got.

Mr. Mellor.—We put that in order to safeguard the wide term 'Envelope'. We do get envelopes made from Creamlaid.

President.—Envelope paper is coming in as a separate class.

Mr. Mellor.—Is it a specially cut paper? Is Envelope paper being definitely imported as envelope paper?

President.—Envelope of the kind resembling wrapping paper comes under Item 44.

Mr. Batheja.—Mr. Mellor, as far as possible, I shall not try to cover the ground covered by the President, but I may ask you one or two points which may arise on those questions. I would much rather prefer to take you through the letter dated 8th July, 1932, which you wrote to the Government of India in reply to Mr. Drake's letter proposing the new classification. The first question I wish to ask you arising from that letter is whether the Paper Manufacturers will experience any difficulty, if the present classification is followed and Mr. Drake's classification not followed, that is to say, by specifying protected papers (instead of non-protected papers), leaving the rest as non-protected. I want to know whether the Paper Manufacturers have no objection to sticking to the present practice as followed in the Schedule and as followed by the past Tariff Boards. What difficulties would you experience if Mr. Drake's classification is given up?

Mr. Mellor.—It depends on what you decide as a result of your deliberations. We think it better to have accurate definitions.

Mr. Batheja.—You might have definitions both ways. A very big principle is involved. You might say first follow the existing method. That

means specify the protected varieties and leave the rest as residue subject to a revenue duty or as the Government of India suggests in Mr. Drake's letter, specify the non-protected varieties and leave the rest as residue subject to protective duty. So far as exemptions and exclusions are concerned, they are followed in both cases. I want to understand what your difficulties are, if the present classification is followed, specifying the protected papers and leaving the rest as a residue. I wish to understand your point of view. I know the suggestion didn't come from you, but came from the Government of India.

Mr. Goss.—There are one or two cases where papers are not specifically mentioned. Cartridge papers are definitely coming in and competing with our antique wove. By specifying these clearly whether they are subject to protective duty or not, we do know where we stand.

Mr. Batheja.—I am talking of the principles behind the scheme.

Mr. Goss.—Exactly as the present Tariff Schedule.

Mr. Batheja.—Modifications must be made in the interests of clarity, in the interests of avoidance of dispute between the manufacturers and the importers. What I want to get at is the principle involved.

Mr. Mellor.—We were given two schemes.

Mr. Batheja.—Both specify the non-protected papers and leave the rest as protected class.

Mr. Mellor.—It is because there has been so much uncertainty in the past about the definitions that we thought it better to make all paper protected less certain classes of paper which might be specified.

Mr. Batheja.—Uncertainty of definition remains in both cases.

Mr. Mellor.—I am not sure that in one case the difficulty would be as great as in the other. If you say that all papers not otherwise specified are protected, I think you will have less chance of uncertainty.

Mr. Batheja.—The classification is based on the reports of the three previous Tariff Boards. Whatever the Mills can produce successfully against foreign countries has been specified as protected papers. What is the difficulty in this classification?

Mr. Mellor.—The difficulty is that you are leaving much more to the discretion of Customs authorities under the existing system than you would if you made all papers protected with the exception of qualities specifically mentioned.

Mr. Batheja.—You are probably aware that there are very strong objections to the scheme raised by importers and they have advanced two or three arguments. You were supplied with the Paper Import Association's Memorandum to which you replied in your letter dated the 28th December 1932. From this reply of yours I am unable to understand the advantages which you hope to gain by the change of classification proposed by the Government of India. I wish to understand your point of view.

Mr. Mellor.—I have not gone over in detail all the arguments of the Calcutta Import Association because I do not know how the Board would themselves view them; nor have I gone over recently the letter written two years ago.

Mr. Batheja.—Can you give us some fresh arguments?

Mr. Goss.—One of the points involved is the definition. The writing paper is coming in and only paying revenue duty as printing paper. That is one of the big points at issue.

Mr. Batheja.—That does not affect the scheme. That does not affect the principle. I don't see that you have any grievance on that. What are the advantages which you claim for this present scheme or Mr. Drake's scheme or principle as I put it? I am talking of the broad principle whether protected papers should be residual papers or non-protected papers should be residual papers? It does not matter to you in any way which scheme is adopted.

Mr. Mellor.—We think there will be less chance of dispute if non-protected papers could be defined such as chromo, marble, stereo, etc. Those are all papers about which there is no dispute.

Mr. Batheja.—If you read Mr. Drake's letter, the main justification in favour of his classification was that he thought that it dispensed with the necessity of defining writing and printing papers. In that object, he has not succeeded.

Mr. Mellor.—The papers mentioned in the list which we have submitted are subject to revenue duty only. They are all definite qualities and very different qualities to the ordinary qualities which we make and there is not likely to be any dispute about them.

Mr. Batheja.—On the contrary what you make is more definite and there is not likely to be any dispute.

Mr. Mellor.—As soon as you get your printing and writing papers defined and leave the rest as residual papers which we do not make, there is not likely to be any dispute.

Mr. Batheja.—Which is a bigger list—the list of papers you make or the list of papers imported?

Mr. Mellor.—All fancy papers which are quite different are more numerous though they are coming in small quantities.

Mr. Batheja.—One importer has given us a very formidable list.

Mr. Mellor.—They are mainly fancy papers.

Mr. Batheja.—Still to make the list complete, all these have to be specified.

Mr. Mellor.—There are papers about which there is no dispute, whether protected or not.

Mr. Batheja.—If the classification of papers which are not produced by you is to be complete, all these papers which are imported have to be specified and we have a most formidable list from one of the importers. If we include the whole list, it will make the Tariff Schedule rather complicated.

Mr. Mellor.—Is not that done in other countries?

Mr. Batheja.—In Germany it is done.

Mr. Mellor.—That is how schedules are made up in all countries. In some countries all papers are protected under different degrees of protection.

Mr. Batheja.—Coming to packing and wrapping paper, what about the papers of this sort which are capable of being used as printing paper and which might conceivably compete with your paper? I notice that in your original scheme, wrapping and packing paper is divided into two sorts, some of which is used for the same purpose for which your paper can be used. I want to understand the idea behind what you say in your letter dated the 8th July about paper containing not more than 25 per cent. soda or sulphite pulp?

Mr. Mellor.—People might bring in white printing paper as wrapping paper.

Mr. Batheja.—Is there a white wrapping paper which can be used for printing purposes and which, you maintain, is competing with your paper?

Mr. Mellor.—Yes. There is no reason why they should not import a cheap variety of Badami half sized which might come in as wrapping and could be used for printing and wrapping purposes.

Mr. Goss.—Badami may come in as wrapping paper.

Mr. Batheja.—Badami cannot be white.

Mr. Mellor.—No. That is why we suggest that white paper should be definitely excluded from the present heading.

Mr. Batheja.—I am talking of white wrapping and packing paper. Does it come in large quantities?

Mr. Mellor.—It is very difficult to say. It has not been possible for us to get figures from the Customs. The statistical returns furnished by the Customs do not give us such details.

Mr. Batheja.—What is your fear based on?

Mr. Mellor.—On what we know will happen or what may very reasonably happen if it is not stopped.

Mr. Batheja.—It is more a fear of what may happen in the future than a fear of what is actually happening at present.

Mr. Mellor.—It is a very reasonable fear.

Mr. Batheja.—What is the point of fixing the percentage at 60?

Mr. Mellor.—That was what we wrote 2½ years ago, but we do not maintain that. If it is genuine wrapping paper, we have no objection to its coming in.

Mr. Batheja.—If you have changed your position, I shall drop the point at once.

Mr. Mellor.—Our last word is contained in our answers to your questionnaire.

Mr. Batheja.—Is there such a thing as mechanical writings?

Mr. Goss.—Yes, when protection was first granted, people started importing laid papers containing 70 per cent. mechanical wood pulp, but the Customs charged them full duty of 1 anna 3 pies and the importation was stopped, as cheap mechanical writing, if it has laid lines, cannot come in as printing paper.

Mr. Batheja.—The writing paper should be wove.

Mr. Mellor.—Many writing papers, especially in this country, have laid lines. Azure and cream laid have laid lines.

Mr. Batheja.—you could give us the exact amount of size in printing and writing paper, you might be able to assist us. There is another question which I want to ask arising from the President's examination. What would be the c.i.f. price of this paper?

Mr. Mellor.—It will come in under-glazed news. In many cases they have specified hard sized.

Mr. Batheja.—Under what heading will this paper come in?

Mr. Goss.—As shown on Page 3 of our Statement C—"Glazed white hard sized printing paper containing more than 70 per cent. mechanical wood pulp."

Mr. Batheja.—Does the argument given by the President apply to this case also that even if protective duty is added, the difference between the two prices is so great that it is hardly worth while protecting?

Mr. Goss.—The position is not altogether the same. The idea of the Tariff Board was that all writing paper should be protected and if this comes in increasing quantities, one of the lines on which we must depend for our output will be lost to us.

Mr. Cameron.—May I put in another point about the price difference? It is very difficult for us to find out exactly how these imports of non-protected printings are made up because they are all grouped under one heading in the Custom House returns. There is one interesting fact and that is the average price at which 7,000 or 8,000 tons are imported.

President.—Of which class?

Mr. Cameron.—Printings, other than news, not protected. These must include various papers. The average price according to our analysis of the figures is 1·67 annas per lb. for the 12 months ending March, 1935. That of course is a value which is very much in line with the prices of papers which we can make and sell if the protective duty is added.

Mr. Batheja.—Do those papers contain 70 per cent. and more mechanical wood pulp?

Mr. Cameron.—Yes.

President.—Which year are you taking?

Mr. Cameron.—1934-35. We have these 7,000 or 8,000 tons whose average price is high. It shows that it is a superior quality, no matter whether it passed the 70 per cent. mechanical wood pulp test or not.

Mr. Batheja.—I admit the price argument is not quite decisive because the nature of competition may be either direct or indirect, that is to say, there may be a class of paper which may compare with your paper quality for quality and compete with your paper directly; there may be another kind of paper in which the price difference may be great but because the competing article is cheaper it tends to be a substitute for your paper though your paper is superior in quality and possibly higher in price. It is for you to prove that this cheap imported paper is driving out your paper from the market; isn't that so? I am talking of competition in the widest sense. The Tariff Board has always in the past argued that not only you must be protected against paper which directly competes with your paper, but you must also be protected against paper which may take the place of your paper because the price difference is very great. If you really want to maintain your ground you ought to be in a position to prove that this paper that competes successfully indirectly drives your paper out of the market.

Mr. Mellor.—As it has done in Madras.

Mr. Batheja.—The greatest proof of your paper being driven out would be if your plant remained idle and if your stocks were accumulating. Are you working to full capacity?

Mr. Mellor.—There is another way of finding whether we have definitely lost: We have lost 900 tons from a specified customer.

Mr. Batheja.—You may lose in one place but satisfy orders in another place. In reply to a question from the President you maintained that you are working fairly fully and that you cannot increase your production, except Mr. Pudumjee.

Mr. Mellor.—We are not lying idle. But we are not looking only to the present: We are looking to the future as well. The Tariff Board has always aimed at that.

Mr. Batheja.—I concede that though you may be fully employed just now and though you may be working to full capacity, whether you are prevented from expanding to the extent you desire, that is another possibility. I grant that: Is the competition so keen that your schemes are being held up for that reason? Are you not able to carry out any plans which you may have for expanding the output of the industry?

Mr. Coss.—We have all had to make paper which was uneconomical in the past, going back a year or two.

Mr. Batheja.—There may be a quality or two which were produced uneconomically but on the whole you are not doing badly.

Mr. Mellor.—We can say this, that if the Punjab mill had been working fully and making its 7,000 tons of paper a year we should have been in a very difficult position because the market has not expanded sufficiently to take the output of that mill.

Mr. Batheja.—Is it your contention that the industry is not expanding so rapidly as it ought to have done or shares are not getting a higher premium? Why are not more people coming in and investing more capital?

Mr. Mellor.—Because there is no surplus market for the output.

Mr. Cameron.—Supposing we are all working to capacity, it does not follow that we are unaffected by these imports. In order to keep our mills fully employed, we must meet competition and we are obtaining prices much lower than those intended by the Board.

Mr. Batheja.—I grant that. But probably since then conditions of production and consumption have changed because your costs have also changed; your price of pulp has gone down.

Mr. Cameron.—But the market price is affected by this factor irrespective of costs.

Mr. Batheja.—I do admit that the prices are lower than that assumed by the Tariff Board, but that argues a state of depression in the paper industry.

President.—With regard to the figures you have supplied us I would like to understand the position properly. According to the trade return figures it is 7,750 tons in 1934-35 and the value is Rs. 18,27,000. If you work it out, it comes to Rs. 233 per ton or 1 anna 1-25 pies per lb. which is very much less. For your class of paper what is the minimum price which you are able to obtain?

Mr. Pudumjee.—It comes to 2 annas 10 pies.

President.—It is nowhere near your figure.

Mr. Batheja.—Coming to M. G. Pressings—they are mostly packing paper; aren't they?

Mr. Goss.—These are used for exercise books as cover paper.

Mr. Batheja.—It is because they are used for covers they are classed as printing paper?

Mr. Goss.—I take it so.

Mr. Batheja.—They are not used for any other printing purposes?

Mr. Goss.—I only know that its chief use is for covers. I do not think it would ever be used for wrapping because there is such a thing as M. G. Wrapping paper.

Mr. Batheja.—The Central Board of Revenue defines M. G. Pressings as of two classes, one suitable for covers and therefore suitable for printing and therefore liable to the printing duty and the other too thick for the purpose and therefore liable to a revenue duty. I want to know whether this division by the Central Board of Revenue satisfies both parties and works well. This is a question which I propose to ask the importers also. Does this ruling by the Central Board of Revenue satisfy the paper manufacturers?

Mr. Mellor.—Yes.

Mr. Batheja.—Can you show us any specimen of Cartridge paper which is used for printing purposes and may compete with your papers?

Mr. Goss.—I can show you a sample now (shown).

Mr. Batheja.—You do maintain that it can be used for book printing and may compete with your paper? Is this actually used for printing?

Mr. Goss.—Yes.

Mr. Batheja.—Are there large imports of this variety?

Mr. Goss.—There are very large imports of cartridge paper. It is rather curious that cartridge paper of less than demy 25 lbs. also comes in at the revenue duty: though the Customs lay down 28 lbs. as the minimum substance, it has come to our notice that lesser weights are coming in paying revenue duty only.

Mr. Batheja.—What classes of paper does it compete with?

Mr. Goss.—Antique wove printing paper.

Mr. Batheja.—What would be the difference in price between the two if this is assessed at the protective rate of duty?

Mr. Goss.—If this is assessed at the protective rate white cartridge about £20 a ton c.i.f. would cost about 3 annas 2½ pies after paying duty, landed price.

Mr. Batheja.—What is your price?

Mr. Goss.—Annas 2-10 to annas 3.

Mr. Batheja.—Is it possible to distinguish this paper from drawing paper? Suppose we tried to divide this into cartridge printing and cartridge drawing?

Mr. Goss.—Drawing cartridge has a much rougher surface.

Mr. Batheja.—Would size be a determining line? Can you suggest any exact physical attribute which may divide the two classes? I take it you are not producing drawing paper?

Mr. Goss.—Yes, a superior quality which we produce is as good as the imported.

Mr. Batheja.—You cannot suggest a basis of division.

Mr. Mellor.—Only on the ground of sizing.

Mr. Goss.—White Drawing Cartridge of this kind in substance of 18×23 —28 lbs. and upwards is subject to revenue duty only. Anything less than that is subject to protective duty but paper has been coming in, at revenue duty not conforming to the specification laid down. That is why we are frightened of their competition.

Mr. Batheja.—What is the object of Central Board of Revenue's Ruling? You don't want the division at all.

Mr. Goss.—Cartridge paper used for drawing purposes is of heavy weight. Thinner weights are not used for drawing purposes. The question is tied up also with the question of Antique Wove.

Mr. Batheja.—Are you satisfied with the present Central Board of Revenue's Ruling?

Mr. Goss.—The Ruling clearly defines which is Cartridge and which is not.

Mr. Batheja.—You accept that.

Mr. Goss.—Yes, but we should like Drawing Cartridge paper protected also.

Mr. Batheja.—What is a Duplicator paper? Is it writing or printing paper or something very different?

Mr. Goss.—If it is soft sized, it is printing paper. If it is hard sized, it is writing paper.

Mr. Batheja.—You cannot distinguish it by means of physical attribute.

Mr. Goss.—I doubt it.

Mr. Batheja.—You maintain that duplicating is printing?

Mr. Mellor.—Yes, a form of printing.

Mr. Batheja.—Are you producing a large variety of cover papers? I have seen some specimens. They don't seem to be as numerous as the imported papers.

Mr. Mellor.—You get mills at home specialising on cover papers.

Mr. Goss.—But only a small part of the total demand is met by these speciality lines.

Mr. Batheja.—To what extent are you able to meet the local demand?

Mr. Goss.—75 per cent.

Mr. Batheja.—The President has already discussed the question of Pulp boards and I have nothing more to ask you about them. As regards Blotting Paper, it has been said that if it is included in the list of protected papers, it will be extending the scope of protection.

Mr. Mellor.—The first Tariff Board mentioned it in the notes of their own Schedule and they only kept it out because of price.

Mr. Batheja.—The present Tariff Board being concerned with the classification has not got power to extend or restrict the scope of protection. I am not arguing about the merits of Blotting Paper. Blotting Paper has been excluded from protection so far. It is taxed under Item 44.

Mr. Mellor.—Blotting paper is a class of paper. You have been asked to decide about the classification of paper. For Tariff purposes we consider Blotting Paper as a class of paper. You are quite within your scope in dealing with that paper.

Mr. Batheja.—The 1925 Board excluded for certain reasons Blotting paper. In 1931 the Board endorsed it. So far the two previous Boards concerned decided the fate of Blotting paper. That being so, is it open for consideration whether the present Board can go against the decisions of the previous Boards?

Mr. Mellor.—They may have been wrong and you may be able to put a wrong right.

Mr. Cameron.—There is this sentence in the Resolution of the Commerce Department which started the present enquiry:—"In their view the definition of articles to which the protective tariff should apply was one which should indicate as precisely as possible the intention of the Legislature and should be so framed as to include any such articles as can be produced economically in the country or may compete with an indigenous product." We claim that it comes under that.

Mr. Batheja.—In most of your communications you have cited that sentence, but does not that sentence only refer to printing and writing paper?

Mr. Cameron.—We read it in the wider sense.

Mr. Batheja.—The Tariff Board suggested the convening of a Conference to decide what is printing and writing paper. It is on that class of paper the Secretary of the Commerce Department has noted. Does it not follow that that sentence has reference only to writing and printing paper and not to all classes of paper?

Mr. Cameron.—It is not possible for us to know what was in the mind of the man who drafted it.

Mr. Batheja.—What is the furnish of Blotting Paper?

Mr. McLatchie.—Rags, bamboo, grass, wood pulp.

Mr. Batheja.—It contains no size?

Mr. McLatchie.—No.

Mr. Mellor.—It is all a question of research which we have to go into.

Mr. Cameron.—We have made Blotting paper entirely from bamboo.

Mr. Batheja.—It does not contain clay?

Mr. Pudumjee.—To a small extent.

Mr. Batheja.—I should like to have your assistance in the matter of classification. We have gone through all the correspondence on the subject and we also have noted down the names of all the papers mentioned in the course of our evidence and this is the complete list (handed in). I do not know whether it is an exhaustive list. Would it be convenient for you with the assistance of your colleagues to go through this list for my personal benefit and mark those papers which compete with yours against which you want to be protected. I should like to understand your scheme fully. Mark those papers which you want to transfer from the revenue paying class to the protected class.

Mr. Mellor.—Yes.

President.—The average value comes to 1 anna 7 pies or 1 anna 8 pies per lb. of the unprotected class which is not newsprint.

Mr. Mellor.—Yes.

President.—If we apply protective duty to that class, it comes to 3 annas or 3 annas 1 pie and therefore this would lead to fair competition with your papers.

Mr. Cameron.—My point is a little different. Here we have a class of paper which is coming in at 1 anna 7 pies c.i.f. with the Revenue duty, that will come in, let us say, a little over 2 annas. There clearly we have a paper which though it may not exactly resemble our superior qualities may tempt users to prefer it. If they can obtain this imported paper at 2

annas and our paper costs 3 annas, there is a tendency for people to go in for the imported paper. Our contention is that if the protective duty is charged, it will bring the price of those papers sufficiently near our selling price to give us reasonable protection.

Mr. Batheja.—In other words you want to make the competition less intense.

Mr. Cameron.—Yes.

President.—All those classes which you have mentioned are coming in as non-protected class, simply because they contain 70 per cent. and over mechanical wood pulp. They are not non-protected. They are all protected, but because of the mechanical pulp content, they pay revenue duty. What I would like to know is this. You have seen the Central Board of Revenue's Ruling giving direction as to how the printing paper should be classified for the purpose of the duty. They state that the error of 5 per cent. should be allowed on both sides. The ruling is as follows:—"The Government of India, however, have undertaken that a margin, to allow for the two errors mentioned, of 5 per cent. will be allowed in all cases; and in exceptional cases this margin may be exceeded at the discretion of the Customs Collector, provided he is satisfied that the order was given for a paper containing 70 per cent. mechanical wood pulp." This would be the only point which the Board can consider seriously under the present limited terms of reference, viz., whether the Customs Authorities in India have calculated 10 per cent. in all cases or only in exceptional cases and whether by this decision a paper containing less than 70 per cent. mechanical wood-pulp has paid revenue duty.

Mr. Mellor.—We are not suggesting that they are allowing more than 70 per cent. According to the present definition, the distinction as drawn between protected and non-protected printing papers is one which does in fact allow into the country a very much superior class of paper to what was ever intended by the original Tariff Board on the information they had. In support of that I can only say that some of the papers in which we are dealing in this enquiry were practically unknown 10 years ago. We are now dealing with new classes of paper.

President.—That is bound to happen, because the paper importers must also do business. As the criterion laid down is 70 per cent. and over, they have to look for a paper which will escape protective duty. In view of your complaint the question is whether the present test method is working satisfactorily or is doing harm to the industry. If it is working satisfactorily, I don't think the Board would be in a position to say that 70 per cent. should be altered so as to widen the scope of protection granted to the industry.

Mr. Mellor.—We are not asking Government to alter 70 per cent. We do suggest that one or two other considerations should be added to the qualification for printing paper which is to come in free of protective duty.

President.—As regards that, you will send us a note suggesting the degree of sizing which will enable the Customs to distinguish writing paper from printing paper. You would like the Board to consider the question of Badami and mechanical Art paper. These two papers, according to you, are coming in at the lower rate of duty. As regards the other printing papers the gap in prices is so very wide that I don't think the Board would be prepared to consider the question of altering the percentage.

Mr. Mellor.—We are not asking it.

Mr. Batheja.—Are you satisfied with the Spence and Krauss methods?

Mr. Mellor.—There are other methods which we know... I am not quite sure that it is the latest method or not. In other countries there may be improvements and it is quite possible for the Government Technical man to find that out.

President.—In reply to the questionnaire, you promised to give us some information on this subject if it was available.

Mr. Mellor.—I will send that later.

Punalur Paper Mills, Limited, Travancore.

A.--WRITTEN.

Letter dated the 12th July, 1935.

We are sending you herewith our suggestions regarding protection to the Paper Industry in India.

Enclosure.

Ever since the introduction of protective duty by the Government of India on certain classes of paper which are the main production of the Indian Mills, the North Indian Mills were able to derive considerable advantage and to improve the conditions of their industry. They had also the chance of securing constantly large orders from the respective Governments in which their mills are located. The Government is the best and most satisfactory customer. They understand the Paper Makers' difficulties and allow a liberal margin in order to enable them to work at a profit. We understand that the North Indian Mills have been able to secure very large orders from Governments and they have to find markets only for the surplus they manufacture. Unfortunately for us, we are unable to secure this advantage.

The Travancore Government, in whose jurisdiction our mill is located, are unable to place with us large orders owing to the fact that they have to calculate for comparative purposes rates on foreign paper at c.i.f. basis with the rates of Indian made paper with the result one of the North Indian Mills quoted a much cheaper rate to the Travancore Government when they were able to sell their paper to the Madras and Bengal Governments at higher rates, in spite of the fact that freight to Travancore on their paper is more than the rate for supplying to other British Governments. The Travancore Government was surprised to find that our mill situated in their State should have quoted a higher rate than another Indian Mill and it was with great difficulty we were able to convince the Travancore Government that the rates quoted to them by the Indian Mill were at the risk of incurring loss. In spite of our appeal to Government regarding this matter, the Government were unable to purchase from us any considerable quantity as the protective duty on paper is not calculated as an additional price on the imported paper. At the same time it has to be mentioned that we have to pay duty on chemicals and all other materials we import for the manufacture of paper. The Travancore Government are, no doubt, sympathetic towards us, but for want of Budget sanction, they could only purchase from us very small quantity of paper for their annual requirements. Our sales therefore depend mainly on the demand from the public.

We tried to become members of the Paper Sales Association of India, but could not succeed in our attempt.

We are manufacturing here many varieties of paper, but our main production is brown for packing purposes. India requires considerable quantities of brown and kraft paper for wrapping and the demand for these qualities will increase steadily in the course of time. However, in this line of business also a change to the disadvantage of Indian production has set in, in recent years. One side glazed kraft paper has captured the market in place of brown paper of Indian manufacture. Most of the cotton mills in India and other large consumers of kraft in India are getting their requirements from Sweden. Our opinion is that it is possible to manufacture kraft brown in India from bamboos and reeds but this requires special machines which will be imported and installed, provided Government will render sufficient help.

With regard to the manufacture of white paper from bamboos and reeds, we are able to produce good quality paper and our only difficulty is that

the paper manufactured from reeds does not bulk as much as grass paper. This is at present our disadvantage and we are still experimenting to find out how it will be possible for us to get more bulking paper from reeds.

At present most of the mills in India are manufacturing chemical pulp. The inferior varieties of paper are made mostly by blending with this chemical pulp waste paper, etc. India requires very large quantities of News Prints and most of the vernacular books are printed on news print paper. We believe that bamboos can be treated mechanically to manufacture news print and our experiments are not without hopes. The experiments require large capital and the Government at the present moment ought to make all arrangements to conduct these experiments.

In the Paper Makers' Conference held at Calcutta on the 13th March, it was decided as follows:—

"Manufacture of mechanical pulp from bamboos."—In view of the fact that a major portion of the imported paper consists of the cheaper and unprotected variety, in the manufacture of which mechanical wood pulp is largely used, it is considered of great importance that the possibilities of producing mechanical pulp from bamboos should be explored, so as to render the manufacture of cheaper varieties of papers in this country a feasible and economic proposition."

The increase in the production of paper similar to the varieties now manufactured in India will eventually lead to unhealthy competition among the Indian Mills themselves and the result will be to the disadvantage of the existing mills.

We are, therefore, of opinion that the import duty should be imposed uniformly on all varieties of paper imported into India, so that India may be able to manufacture most of the news prints and other varieties required.

(1) Letter dated the 24th June, 1935.

Re CLASSIFICATION OF PAPER.

I have the honour to submit the representations of this Association as below.

2. It is understood that the Board will confine itself to a differentiation between protected and non-protected papers following the Act as it stands at present merely specifying in which class the various kinds of paper fall and does not propose to enquire into the extension or reduction of the amount of protection. Under this impression this Association also limits its recommendations and suggestions in similar degree. If, however, the question of protection itself is to be entered into, the Association will desire to submit further representations as the degree of Protection, which was at no time justifiable, is now so great as to form a serious handicap and a barrier to the development of Indian trade.

3. The Members first wish to record their objection to the procedure whereby the parties to such enquiries are not made acquainted with the views expressed by the opposing parties. Ignorance of the suggestions put forward makes it unlikely that the evidence or the findings result in that degree of accuracy which is desirable. My members feel that there should be no insurmountable obstacle in the way of publishing representations in such form that they may readily be available to all interested parties in sufficient time or adequate consideration.

4. My members also wish to take exception to the original proposal of Government that non-protected papers should be specified and that all others should be subject to the protective duty. The variety of papers made by the Indian Paper Mills is small and comparatively easily distinguished, whereas the total number of papers of all kinds runs into hundreds of varieties. This Association urges that it is a matter both of commonsense and convenience that protected papers should be specified and the residual class should be non-protected.

5. The Association understand that the Board proposes to deal with this matter on the lines laid down on pages 119 and 120 of its report on the original grant of Protection in 1925 and subsequently confirmed in the enquiry held in 1927, and reiterated in 1931. The Association welcomes an opportunity of securing clarity of classification as it is of great importance that an importer should know definitely what duty will be levied on a particular class of paper at the time he orders it and it is only right that he should not be subject to inconsistent and arbitrary rulings of the Customs—rulings which in some cases have no foundation either in fact, trade practice or any other grounds except that the revenue duty will realise more than the protective duty or *vice versa*.

6. The Association in 1932 after a conference with the Central Board of Revenue and the Indian Paper Mills submitted a memorandum in which its views were set forth. It is probable that the Board has a copy of this but, in case it is not available, further copies are attached. This deals with a number of classes of paper which are commonly imported but is not intended to be as complete a list as will be necessary if the Board does not adopt the suggestion of the Association.

7. The Association submits that the guiding principle should be as to whether a paper is or is not a printing or writing paper of a certain class. This has previously been specified by the Tariff Board as covering papers made in India or likely to compete with those made in India. In the later case my Members submit that such competition must be serious and affect a substantial proportion of the Indian output. It is, for example, unreasonable that, because the Indian Mills make a small quantity of cover paper then, all the multitude of cover papers which will never be made in India or compete with Indian products should be classed in the protected list.

8. The Members of the Association feel that it is necessary to draw the Board's attention to the difference in attitude presented by the Indian Papermakers, as compared with the Indian Printers.

9. The Indian Papermakers, however small a portion of their tonnage may be affected by imported paper, appeal to Government for more and more protection without any consideration of the result of this protection to the Indian consumer.

10. We instance Cover Paper, where the total protection of the Indian Mills is probably much less than 100 tons per annum and yet to safeguard this petty quantity all the enormous varieties of Cover Papers are placed under the Protective Tariff.

11. Lithographers are peculiarly hard hit, as practically none of the papers which they use are made in this country, but almost all are included amongst the Protective Papers. Again, all users of Esparto Papers which are not made in India are also paying the Protective Duty for papers which are again not made in this country.

12. Lastly, all printers who desire to improve their art by the use of the better quality of Printing and Art Papers have to pay the Protective Duty when there is no possibility of these papers being manufactured by the Indian Mills.

13. The Association in its 1932 memorandum points out that the Indian Mills do not make paper below certain weights and that therefore after allowing a margin of safety, it should be possible to exempt all papers below that weight from protection or test without risking an infringement of the Act. This principle can also be applied in great degree to other papers which are not made in India. In this connection the Association requests that the Board may not be induced to transfer any paper to the protected list by hopes held out of later manufacture in India and need only cite the 10,000 ton pulp Mill at Cuttack referred to in the last enquiry in support of its submission.

14. As the question of differentiation between printing and writing papers and possibly such items as cartridge paper may arise, the Association

draws attention to the fact that the printing paper made by the Indian Mills is, in most cases, hard sized and will stand writing in ink, so that sizing is not a criterion.

15. Certain happenings in connection with cover paper and general change in price, conditions, etc., since protection was instituted makes it advisable that each controversial paper dealt with in 1925 and at the 1932 conference should again come up for consideration.

16. My Association feels that an enquiry such as is to take place would be incomplete without a reference to the sections of the Sea Customs Act governing the unprotected classes of paper. A declaration of value is made under Section 30. In the case of some ports the invoice value is accepted in all cases except those for which Tariff Values are fixed but, in Calcutta, for many papers, the Customs demand a declaration under Section 30 (a) which defines what is known as Market Value. By this means the Customs compel a declaration at retail value instead of wholesale and thus the importer is compelled to pay duty on a theoretical gross profit which of course includes his rent, rates, wages and personal living expenses. The Customs employ checks to verify the declared prices and if their reports disagree with the declaration, the importer is called on to show cause. The check figures are not available to the importer and the Customs always accept their own figures whilst rejecting those of the importer even though he may adduce evidence of actual sales. The importer has no opportunity of challenging the evidence brought against him as it is denied to him whilst the Customs constitute themselves into judge, prosecuting counsel, jury in addition to providing the evidence which they conceal from the alleged offender. Appeals in such cases are a waste of time. The sequel is even more interesting. In cases where the Customs insist on a declaration of market value, if they dispute it and allege a higher value, there is a mandatory procedure laid down in Section 32. It does not, however, suit the Customs to adopt this method as it would demonstrate the inaccuracy of their informers figures when they came to resell. They therefore, take shelter under the last few words of the Section (which deal with an entirely different point), as being complete authority entitling them to disregard the procedure which has been so carefully indicated. What happens is that the shipment is confiscated and returned to the importer under a redemption penalty *plus* the enhanced duty.

17. Whilst the Board may not be directly interested in the administration of the Customs Department, this Association would welcome a recommendation in the Board's report which would tend to secure the collection of the legitimate rates of duty and a correct interpretation of the sections of the Sea Customs Act which refer to the papers the Board has under consideration.

18. The Association feels called on to refer to a representation made to the Government of India in connection with Newsprint by the Indian Paper Makers' Association. Although this Association has applied to the Government of India for a copy of the representation this courtesy has been denied but it is understood that a request has been made for Newsprint to be defined by the American interpretation. The support of a large number of Newspaper has been secured on the basis of a reduction in duty which would naturally seriously interest large Newspapers using paper in accordance with the specification referred to. It is not necessary to enter into detail at the moment except to point out the grave hardships and undue preference that such an enactment would involve, not only on the smaller newspapers, but on all classes of the printing and publishing trade which rely on cheap paper as their raw material. In addition, whilst the newspapers concerned are clearly considering only their own interests to the exclusion of the broader aspects, it is manifest that the Indian Paper Makers' Association are not interested in benefitting the newspapers, but are only seeking a means whereby a large number of common papers which come in at the revenue rate of duty on account of their low cost and composition, shall be brought under protection. They overlook or ignore the fact

that newsprint is not the only printing paper exempt from protection. See page 119, paragraph 1 (2), Tariff Board Report of 1925. They must however, be fully aware that their proposal spells extinction for a large number of small newspapers and the destruction of much trade for the Printer. This Association trusts that this matter will be fully ventilated so as to prevent the object of protection being defeated.

If, however, the papers which contain over 70 per cent. of mechanical wood pulp that are coming in at present and which the Indian Paper Mills seek to prohibit, are the serious menace to the Indian Mills that could be to sole justification of their action, the application by the Mills constitutes an unqualified admission that Protection is unjustified as under such circumstances they can never become selfsupporting and do not satisfy the conditions laid down by the Assembly. My members have been aware of this from the commencement, but it is the first occasion on which they have been made aware of similar knowledge on the part of the beneficiaries. As far as members of the Association are aware the Indian Mills proposal means that all Writing and Printing Papers in India shall not cost less than three annas per lb.

In richer countries such as United States of America, Great Britain, Germany, etc., it is considered necessary and advantageous that papers from one anna are essential. The Tariff Board should take into consideration that the Indian Mills have a price convention and are virtually a monopoly protected by a monstrous Tariff but the Indian consumer has no protection.

19. This Association, therefore, looks for the exemption from protection of all papers not made in India (which genuinely do not compete with those made in India) preferably by a definition of the protected class and the specification of certain classes of non-protected papers whereby they will be automatically assessed at revenue duty without test beyond the verification that they correspond with their declaration. The Association again refers to its suggestion that in some sections a price barrier is an adequate guide and many of the better class printings and writings be excluded from the Protective duty. Reference is made to the expense and convenience which is caused by the delay incidental to a chemical test. Three days only after landing are allowed by the Port Commissioners in Calcutta for delivery without rent. Some part of a consignment may be landed but the Customs will perhaps insist on a particular bale which has not been landed to be opened for samples. The delay in test follows and substantial wharf rent accrues. The profit of paper to the bazar dealer is so small particularly in respect to papers that require the chemical test that his entire margin may be wiped out even though the consignment is eventually passed substantiating his declaration. He is, in fact, penalised without having committed an offence. A recommendation from the Board that there should be an extension of the rent free period in cases where the delay is caused by the Customs would be appreciated.

20. The Association will be glad to have the opportunity of supplementing this representation orally when the Board visits Calcutta.

Enclosure.

CLASSIFICATION OF PAPER FOR THE PURPOSE OF TARIFF.

This Association has considered your letter No. 202-T. (33) of June, the 2nd, and I am directed to reply you as follows:—

2. Reference has already been made to the ambiguous sentence in the quotation from Government Resolution No. 202-T. (28) of the 3rd February, 1932, and it is anticipated that it will be made clear that only such articles as are actually covered by the act protecting Bamboo paper, will be considered.

3. It is felt that the principle involved in the present proposals of Government, i.e., that the protection of two classes of paper shall be accomplished by the specification of those classes which are exempt and that all other papers shall be assessed to the protective duty, appears to be open to serious criticism as the varieties of paper are so numerous that it would be difficult to be assured that no omissions had been made in the list of those classes which are to be exempt. It would appear to be simpler to draw up a list of those papers which are included in the two headings "Printing and Writing Papers" and leave all unspecified paper exempt. As an example of the numerous classes of papers that would require exemption under Government's proposals the following are mentioned:—

All Boards (including Straw Boards), Wall Paper, Tracing Paper, Reels for Telegraphic Machines, Metallic, Copying, Crepe, Bag, Felt, Cigarette, Match, Filter, Greaseproof, Leatherette, Matrix, Oil, Wax, Stencil, Waterproof, Cap and Kite, etc. This list is in addition to those qualities that are already mentioned in the Tariff Schedule.

4. The Members of this Association, however, appreciate that there have been considerable difficulties in the administration of the act as it stands, and they are anxious that any scheme that may facilitate the proper working thereof without hardship either to the importers, consumers or to the Indian Mills should be carefully considered. Whilst, therefore, they consider that there should not be any insurmountable difficulty in administering the provisions, of the Act as at present recorded in the Statutory Schedule, they would not be disposed to oppose the alteration of the basis to that now suggested by Government, always provided that satisfactory safeguards are prepared to ensure that their interests will be properly protected.

5. In arriving at this decision the members have not been uninfluenced by the fact that they themselves, in their representations to the Tariff Boards, felt that it was necessary to recommend certain specific exemptions from the operations of the Act and they appreciate, therefore, that this method may in fact be the most satisfactory to all parties.

6. The members feel, however, that this situation has arisen largely through the efforts of the Indian Mills to bring under protection papers which it was the manifest intention of the Tariff Boards and Government should be exempt and by the action of Government in issuing rulings with insufficient information as to the accuracy of their judgments.

As far as the members are aware, in no case has Government sought the advice or opinions of those whose livelihood it is to deal in paper and had that been done it is felt that many of the difficulties that have arisen from time to time might have been avoided.

7. It appears from the proposed new entries in the statutory schedule that the position will be clarified by the inclusion by name of each paper that will be subject to the revenue duty leaving all unmentioned varieties subject to the protective duty. This is with the exception of the heading "Packing and Wrapping Papers" which Government propose to leave in its abstract title.

8. The members fear that the list proposed by Government will be found to be quite inadequate as indeed will be clear when the papers at the end of paragraph 3 hereof are considered. It will be necessary to revise this list much more closely in consideration of the fact that any item not mentioned will automatically be subject to the specific duty and, on this account, it is felt that opportunity should be taken to co-ordinate the Protective Act with the intentions of the Tariff Board as outlined in the quotation from paragraph 2 of the letter under reply. This deals with the question of protecting such articles as can be produced economically in India or which may compete with the indigenous product as far as Printing and Writing papers are concerned.

The members consider therefore that matters would be simplified if certain generic classes of paper which fulfil the requirements laid down in

the last paragraph, were to be specifically excluded from the operation of the Art and some suggestions are here made with reasons therefor:—

- (a) It will be noted that Chrome (*sic.* probably Chromo) Marble and Flint papers are already exempt. These are papers which are coated on one side and coated papers are not made in India. Their price is such that they do not compete with any paper that made in India. Paper coated on both sides, however, is not exempt but is assessed to the specific duty. Neither Government nor the Indian Mills benefit thereby and their inclusion in non-protected papers would enable the whole of this class of paper to be included in a general exemption under the heading "Coated Papers". It is considered that on the average the duty at 25 per cent. would approximately equal the specific duty of one anna three pies so that simplicity would be achieved without disturbing the yield of revenue or admitting paper which would affect the interests of the Indian Mills.
- (b) It will also be noted that Poster Paper is amongst the items exempted. This is because it is what is known as Machine Glazed (that is glazed on one side and rough on the other) and such paper cannot be made in India. Manilla paper for making envelopes also comes in at the revenue duty and it was the intention of the Tariff Board that another paper of the same type, known as M. G. Pressings should also be free from protection. It is clear, therefore, that if all papers of this nature were declared as subject to the revenue duty only the wishes of the Tariff Board and the intention of the Assembly would thus be fulfilled. It is therefore recommended that these papers should be dealt with under a general exemption of MACHINE GLAZED PAPERS.
- (c) One of the great sources of difficulty during the past seven years has been in connection with a thin coloured paper which is used largely for wrapping and decorative purposes but which owing to the fact that its original foundation is the same as that of ordinary newsprint has been known to the trade as "Unglazed Coloured News". Owing to its thinness it has on many occasions been assessed to the specific duty as containing less than 65 per cent. of mechanical wood pulp being assessed by the Customs as a printing paper on account of its name and despite its ordinary use. It cannot be denied that this paper is not of the slightest interest to the Indian Mills nor does it in any way affect any of their manufacturers so that there can be no object in "protecting" it. Some difficulty has been experienced by the Central Boards of Revenue in arriving at a conclusion and although the facts are as stated it is still declared as a printing paper whilst the uncertainty as regards the duty that will be levied is now greater on account of the alteration of the required mechanical contents to 70 per cent.

This particular paper draw the attention of members at the time to the fact that the Indian Mills have a minimum substance below which they never manufacture and that consequently it would not affect their interests if, after allowing a reasonable margin, a substance was agreed on whereby papers below that substance would be admitted at revenue duty. The lowest weight made by the Indian Mills is on the basis of 13 x 16, 6 lbs. 480 sheets per ream (42½ grms.). No paper below this weight therefore would in any way affect them and it is the suggestion of this Association that great simplicity would be secured and whilst the Indian Mills interests would be safeguarded if a clause were inserted in the new items in the schedule exempting ALL PAPERS OF A SUBSTANCE LESS THAN 38 GRAMMES PER SQUARE METRE.

(d) The next item which in connection with one paper has caused some difficulty is that of Cover Paper. Reference to this is necessary on account of an unfortunate ruling by the Central Boards which stated that Cover Paper is a printing paper. This is transparently contrary to fact but Government issued this ruling without consulting the trade or giving it an opportunity of submitting its arguments. In fact importers were not even notified that such a ruling had been handed down. It is patent that the use of a cover is that of protection and that whether it is printed on or not, its primary purpose is not that of a printing paper. Government has ruled that a classification is determined by ordinary use but in this instance they have definitely violated the principle and have brought in a secondary point as being the deciding factor. The actual quantities imported are not great but there are many varieties, most of which cannot be made in India, while a great portion is of those cheap kinds which are not affected by the protected duty as they contain 70 per cent. Mechanical Wood. It is agreed that much cover paper is printed and that printing qualities may be an important factor in the choice of a cover paper but there is an analogous case which establishes the principle that it is the primary quality that is decisive. Reference is made to a class of paper known as enamelled blotting paper. This consists of a sheet of coated printing paper attached to a sheet of blotting paper.

It is obvious that this sheet of coated printing paper is affixed so that, that side may be printed on and according to Government's ruling regarding cover paper there can be no question but that Enamelled Blotting should be assessed as printing paper. Government will, however, be constrained to admit that blotting paper is the only classification under which it can be admitted. The Indian Mills make one or two qualities of Cover Papers only and even of these a small quantity so that no serious harm would be done to them if COVER PAPERS were exempted as a class. As some definition would be required it is submitted that any coloured or white cover paper weighing not less than 33 lbs. per ream, 20 x 30—500 sheets or proportionately would meet the case.

(e) Cartridge paper has also caused some difficulty as it is neither printing nor writing but owing to the fact the Indian Mills make a somewhat stronger printing paper than the Ordinary which they entitle "Printing Cartridge" the Customs have alleged that some of the Cartridge Paper imported has been for printing purposes. It is submitted that CARTRIDGE PAPER should be added to the list of exemptions and that to afford some easy definition the minimum weight should be stated as not less than 18 x 23—23 lbs., 500 or proportionate.

The opportunity is taken at this point to draw attention to an unfortunate ruling of the Central Board that size cannot be taken into account in arriving at a classification. This is another instance where friction might have been avoided by consultation with the trade. It is agreed that size is not always a criterion and that some sizes are the same in different classes of paper. On the other hand, certain sizes are distinct and apply to certain papers only. For example 21 x 26 and 22 x 30 are cartridge paper sizes and are not current in any standard printing or wrapping paper size. Consequently if Cartridge Paper is imported in 22 x 30 or 21 x 26 it is complete evidence that these papers are intended for drawing. The Customs should therefore not necessarily be debarred from taking size into consideration when arriving at a decision on classification.

(f) Government has referred to envelope paper of the kind that resemble wrapping papers. It is assumed that this refers to M. G. papers which have already been dealt with in item "B" but if Government has other papers in mind the members will be glad to have an opportunity of considering them.

(g) Duplicator Paper. This has been the subject of the most extraordinary ruling that the members have yet experienced. It is imported in 2 classes, one being slightly sized so that the signature on a circular will give the circular the appearance of a specially written letter and the other unsized. The ruling referred to is that the slightly sized paper is to be admitted as a writing paper and the unsized as "Other sorts".

It is obvious that there can be only one classification for paper which is practically identical and which is used in precisely similar manner. Whilst there may be argument as to whether it should be assessed as "Other sorts" or as printing paper it is clear that writing paper is not correct.

10. It is noticed that in the proposed schedule under papers subject to Revenue Duty—Government commences with "Articles made of paper and papier-mâché".

As all other papers not specifically mentioned are subject to the Protective Duty, there are bound to be instances where articles can be assessed under either, viz., "Envelopes". The members recommend that this phase should receive attention.

11. In connection with the item including "Ruled and Printed Forms" this was recently altered to cover the fact that in many cases the printing was the most valuable part of the import, by assessing duty at As. 1-3 or 25 per cent. *ad valorem* whichever is greater. In justice to the printing trade in India, the Association considers that this method of assessment should be retained.

12. From the foregoing it will be clear that the question of exemption is not a simple one and it is only by compiling a comprehensive list that it will be possible to adopt the scheme proposed by Government and it is on the extent of that list that the approval of this Association must necessarily depend.

13. The position of the Association may be summarised as follows:—

The proposals of Government will receive the support of the Association provided the list of exemptions as finally decided on meets with its approval and that the principle is applied that paper which cannot be made in India or which does not compete with paper made in India or which can only be prevented from coming into India by a "monstrous degree of protection" shall govern the point as to whether a paper shall be included in the protected classes.

14. The Association is not rigid as regards the exemptions specified as it is clear that, in many cases, there may be little or no difference between the amount of duty payable under either class but, as the principle of exemption is the essence of the present proposals, it is important that the list should be complete as it is appreciated that revision may be a matter of great difficulty unless Government includes in the Bill the power to add or subtract.

15. My Association is not aware if Government have consulted paper consumers who are interested in this question, but as many indigenous industries depend on imported paper as their whole or part raw material, it seems to our Association their interests should be considered.

To name a few

Printing Trade.

Box Manufacturers.

Cigarette Manufacturers.

Perfumery Manufacturers.

Bag Manufacturers.

Envelope Manufacturers.

Stationery Manufacturers, etc.

16. The Association is particularly anxious that the procedure finally decided on should do away with the chemical test which is now applied to determine the Mechanical contents of imported paper. Quite apart from the fact that the results are necessarily unreliable and that the particular system, adopted as a more satisfactory one by the Chemical examiners to the Custom, has been condemned by European Paper Mills Association, imported consignments are either detained whilst the test is being made or the importers put to the expense of stamps if delivery is taken under bond. In either case the importer is compelled either to hold his goods unnecessarily until such time as he knows the duty to be paid or alternatively must sell his goods without knowing what they cost. Importers claim that they are entitled to be freed from this delay and uncertainty.

17. It will be noted that there is a possibility of difficulties under the new scheme which may even equal, through unanticipated effects, those which have given use to the present proposals and the Association therefore wishes to place on record its views that there is available a very simple solution.

This solution consists of the fixing of a dividing line between protected and non-protected papers on the basis of price—all papers above a certain price per pound in relation to substance being subject to the protective duty.

This proposal has been made before and was rejected by the Central Board presumably because such a procedure could not be reconciled with the provisions of the Act but as an amending Bill is now proposed that difficulty no longer exists and it is pointed out that as invoice value is taken for the majority of the total imports into India there can be no valid objection to the adoption of a similar scheme in regard to paper. The possibility of incorrect invoices or declarations is unlikely to be serious as it is doubtful whether in any other industry it would be easier to verify the correctness of costs.

18. In case, after due consideration, Government decides to proceed with its present proposals, a form is appended showing how the Association consider the new items should be worded.

19. The Association trust that it will be permitted to express an opinion on the draft as finally approved by Government and will welcome the opportunity of meeting representatives of Government or of the Indian Mills in furtherance of their mutual interests.

In conclusion the members consider that it should be possible to secure a large measure of agreement on all vital points.

SCHEDULE.

Subject to Revenue Duty.

(A) Articles made of Papier-mâché:—

Paste-board, Millboard, Strawboard and Boards all sorts:

Stationery including drawing and copy books:

Labels, advertising circulars, almanacs or calendars:

Christmas, Easter and other cards including cards in booklet form:

Waste Paper and Old Newspapers:

All the above exclusive of ruled or printed forms: letter papers with printed headings: manuscript books:

Trade catalogues and advertising circulars imported by packet, book or parcel post:

Postage stamps used or unused, paper money, and stationery otherwise specified.

(B) The following kinds of paper, namely:—

1. Packing and Wrapping Paper all sorts.
2. Coated Papers all sorts.
3. Machine Glazed Papers; 1 sided papers; all sorts.
4. Thin Paper substance of $18 \times 22 - 10\frac{1}{2}$ lbs. 500's, or 39 grms. or less, all sorts.
5. Cover Papers all sorts substance of 20×30 , 35 lbs., or more.
6. Cartridge Paper weighing not less than 18×22 , 500 sheets all sorts.
7. Blotting, Copying, Crêpe, Cigarette, Metallic, Match, Matrix Oiled, Toilet, Tracing, Telegraph Machine Paper on reel, Wall Papers all sorts.
8. All other kinds of paper in which the mechanical wood pulp amounts to not less than 70 per cent. of the fibre content.

Subject to the Protective Duty.

(A) Ruled or Printed Forms including Letter Paper with printed headings and Account and Manuscript books only when protective duty is more than Revenue Duty.

(B) Paper all sorts not otherwise specified.

(2) *Letter dated the 8th July, 1935, from the Calcutta Paper Import Association, Calcutta.*

PAPER CLASSIFICATION QUESTIONNAIRE.

I have the honour to attach six copies of this Association's replies.

Enclosure.

Calcutta Paper Import Association's reply to Questionnaire.

1. Experienced paper men and printers find no difficulty in differentiating between Printing and Writing Papers, but it is not so simple to express in words how they are distinguished.

For example, Printing Papers vary in finish from very rough (for Offset and some kinds of Photographic processes) to very smooth for the production of half-tone work. In a modified degree the same remarks may be applied to Writing Papers.

In other countries Printing Papers (except for Lithography) are usually soft or half sized and Writing Papers are hard sized, but in India it is not unusual, both with imported and indigenous papers, for Printing Paper to be sized sufficiently to stand writing in ink. Printing Papers are usually "wove", except in the case of Antiques, in which "Laid" are also common. Writing Papers are usually "Laid", but "wove" is also imported. The dimensions are sometimes a criterion, as "Printing" sizes are in many cases different from those of "Writings", but some are identical and a "writing" in a "printing" size and *vice versa* is not unknown.

The "furnish" of such qualities as are made by the Indian Paper Mills is very similar both in Printings and Writings, and it may therefore be said that the only important difference is that in "Writings" there is an absence of the degree of 'loading' which may be found in "Printings".

It may be added that the Customs have found little difficulty in administering the Act under the plain definition of "Printing Paper" and the

difficulties which have arisen have been mainly concerned with disputes as to the Class in which a very few papers should be included and in connection with chemical analysis. All papers are capable of being used for more than one purpose and probably are so used, but the principal case in India would appear to be that Printings are used for writing and wrapping and *vice versa*. A few others that may be mentioned, however, are M. G. Poster, which is used for printing, wrapping and envelopes, M. G. Pressings is used as a cover as well as wrapping. Cartridge Paper is used in lighter weights for envelopes, as well as drawing and Kraft is used for envelopes. As, however, the prime purpose of an envelope is a wrapper, it cannot be always contended that these examples demonstrate "other uses".

2. It is assumed that "uncoated" Printing Paper is referred to. It is difficult to suggest any definition other than that of "Printing Paper" for this class. It might be possible to limit the classification by certain weights—low and high—but otherwise any description might equally apply to other classes of paper. As stated above, the Customs have found little difficulty in applying the Act without further detailed description. Almost all kinds of printing are undertaken in India. Amongst these may be mentioned Letterpress, Lithography (ordinary and Offset), Photo-lithography, Intaglio Process (black and multicoloured) Copper-plate, and Rotogravure. Letterpress work can be and is produced on all classes of paper. Lithography of the better class calls for special papers, but some is produced on ordinary Printing Papers. Process work demands a highly finished Super Calendared, Imitation Art or Real Art Paper. Some lithography is also done on coated papers specially prepared whilst Rotogravure is usually printed on heavily loaded or coated paper, according to the purpose for which the finished work is required.

3. Newsprint should be defined as "Printing Paper" containing not less than 50 per cent. Mechanical Wood Pulp-fibre content. The reason for this percentage is that papers so made, even with the addition of the protective duty, cost less than the price of the locally made paper, and it is wrong that India should be denied the use of those papers. They do not compete with the Indian Mills' products, as it would not be possible to use them (on account of their ephemeral nature) as a substitute for a purpose where a woodfree paper is necessary.

The Association takes the opportunity of expressing its strongest protest at the settlement of 65 per cent. as the mechanical contents necessary to secure exemption from protection. This was obviously based on the so-called Standard Newsprint which only applies to one example in the Newsprint class.

It is erroneous to advance a theory that papers with much less mechanical contents can compete with woodfree Indian papers.

This protest includes the enquiry of 1927, when the importers were compelled to resist a specious attempt to calculate the percentage on the gross weight. It may be noted by the Board that, although the mills have invariably made extravagant claims for their manufactures, these have little foundation, in fact. They are continually expressing the opinion that mechanical papers are a potent danger to their products. But Paper Mills in Europe manufacturing woodfree paper do not appear to suffer from the same inferiority complex. It is assumed that the reference to Newsprint is intended to denote the kinds of paper referred to on page 119, paragraph 1 (2) of the Tariff Board Report of 1925.

Newsprint is imported as follows:—

- (1) Thin Unglazed coloured 25 grammes substance, mainly used as a wrapping and for kites, caps and decorative purposes. A cheap M. G. Paper of similar thickness and furnish is imported for wrapping and decorative purposes.
- (2) Glazed coloured printing for handbills, cheap catalogues and inserts.

(3) White (Rough, M. F. and Glazed) from 25 grammes up to 60 grammes in sheets and reels for handbills, newspapers, cheap literature, magazines and periodicals, catalogues and religious works. The lightest weight in some places is used for cigarettes. Some substances are used as wrapping paper and it is also used by the cotton spinners in connection with spools of cotton.

(4) Heavy for middles and pasting.

4. It is not possible to answer this question with any degree of accuracy.

Papers falling in the Newsprint class do not come within the field of work covered by indigenous papers. In the case of woodfree papers it may be taken that where quality is the criterion, an imported paper is used and where price is the main factor, local made papers used, this does naturally, not apply where there is a special prejudice in favour of the imported or indigenous article.

5. This question is best answered by a reference to the profits made by the Indian Mills, their share quotations and their order sheets.

It is an incontrovertible fact that they could not have made much more paper, so that however great the imports of newsprint might be, it cannot have affected their tonnage. Quite apart from newsprint, however, it is obvious that any real competition they might have experienced must come from the protected classes which pay duty of one anna three pies per pound and, in this field, they have ample scope for expansion without touching on papers they cannot make and which do not compete in the classes of work for which their papers are suitable.

6. As far as is known, the Sponce & Krause method is the most accurate and is working with reasonable satisfaction. It does not, however, take sufficiently into account the fact that paper-making is not an exact science and the margin of variation is not sufficient for practical purposes. By this is meant that, although the method may be accurate within say 5 per cent., a manufacturer may set out to make a paper in accordance with the prescribed percentages, but the result may vary sufficiently to bring the finished article within the prohibited degree.

When it is realised that the most authoritative work on paper testing comments that this test relies on certain "weight factors" which "may vary in pulp from different sources" and that "it remains to be seen whether the system will provide the accuracy it promises", it will be appreciated how extremely unfair it is to condemn a paper which cannot possibly be made commercially in India, to pay the protective duty, on account of an alleged slight variation which may not exist in fact.

As such a paper still falls within the description applied by Sir Charles Innes, it is clearly wrong that it should be assessed at the protective duty. A case in point (in a different class of paper) has recently occurred where two shipments of the same paper made at the same time and shipped on the same steamer have been assessed one at revenue duty and one at the protective duty.

The merchant importing the latter will have to sell his supply at the same price as his competitor and bear the loss, as the manufacturer who has made the paper in accordance with the specification will naturally not accept the analysis of the Calcutta Customs.

Other cases are on record where two shipments of the same paper have been differently assessed on arrival.

The most easy remedy is to enlarge the margin allowed for error.

Alternatively the Association has on more than one occasion put forward the suggestion of a price barrier between protected and non-protected papers, whereby there would be no need for a chemical test.

Prices could easily be verified and protection adequately secured.

7. The Association leaves the Indian Paper Mills to furnish the answer to this question.

8. The classes of imported papers that compete with Indian Mills products are Woodfree Printings, both M. F. and S. C. A number of highly finished S. C. Printings are now called "Imitation Art", but the original Imitation Art which gave rise to the classification is made mainly, if not entirely, from Esparto, is heavily loaded and is given a water finish before reaching the calenders on the paper-making machine. This quality is in a class by itself, is comparatively expensive and so superior that it does not compete with the Indian-made S. Cs.

They are imported from the United Kingdom, Scandinavia, Germany, Austria, Finland, etc.

There are no figures available giving the importations of these papers separately.

Per ton, Wood-free M. F. Printings Super Calendered are usually Rs. 6-8 to Rs. 13 per ton extra.

Prices.

	British C.I.F.	Landing duty.		Foreign C.I.F.	Landing duty.	
		Rs.	Rs.		Rs.	Rs.
1931-32	353	..	175	280	.. 175
1932-33	306	6	175	280	6 175
1933-34	306	6	175	292 to 280	6 175
1934-35	306	6	175	292 to 240	6 175
Current	306	6	175	292 to 210	6 175

Free Wood Writings are usually Rs. 6-8 to Rs. 15 per ton more than Printings.

9. In reference to the last words of this question, i.e., "so that the protection granted to the industry may not prove inadequate or nugatory", as it is manifest that the amount of protection is grossly excessive, it is only necessary, in devising a scheme of classification, to secure that qualities of paper similar to those manufactured by the Indian Mills, shall continue to pay the protective duty.

The attention of the Board may be opportunely drawn to the scandalous imposition of the 25 per cent. surcharge on the protective duty without a countervailing excise on indigenous products. The result, inflated prices and profits at the expense of the Indian public is too evident to require emphasising. The Association has in its memorandum of 1932 suggested a scheme of classification.

It is necessary, however, to present this in two forms. Firstly, on the basis of specifying protected papers, leaving all others in a residual class, and secondly, *vice versa*. In the first case the Association would recommend as follows:—

Protected

Printing Paper—uncoated—rough, machine finished or super calendered—white or coloured, weighing not less than $10\frac{1}{2}$ lbs., 500 sheets or more than lbs. per ream, 18×22 , 500 sheets which does not contain any mechanical wood pulp or which contains

less than 50 per cent. of such pulp or which contains not less than 40 per cent. Esparto Grass.

Writing Paper—white or coloured—Ditto.

NOTE.—Specific inclusion or exclusions of disputed papers if any should be made in the above clauses.

Unprotected.—All other sorts.

In the second case the following recommendation is made:—

Unprotected—

Printing paper all sorts—coated and uncoated—weighing less than $10\frac{1}{2}$ lbs. or more than lbs. per ream, 18×22 , 500 sheets and all sorts which contain more than 50 per cent. of mechanical wood-pulp fibre content, all sorts which contain 40 per cent. Esparto Grass.

Writing Paper—Ditto.

It will also be necessary here to specify any particular controversial papers.

All sorts other than Printing or Writing Paper.

Protected.—Printing and Writing Papers—all other sorts not defined above.

Unprotected—

All sorts other than Printing and Writing.

In the second case it will be noted that it is assumed that the Board is dealing only with Printing and Writing papers and in that case it will not be necessary to specify the multitudinous varieties in which paper is made.

In such cases, however, it will be very necessary that the Board should see that the definitions are complete in respect to controversial papers so that past difficulties may be avoided.

For example, M. G. Pressings should be excluded from Protection. Cover Papers should not be protected and similarly in respect to cartridge and drawing paper.

In particular should the Clauses be worded so as to exclude from protection all classes of paper that are not made in India.

(8) Letter dated the 23rd July, 1935, from the Calcutta Paper Import Association.

CLASSIFICATION OF PAPER.

Since this Association submitted its representation and reply to the Questionnaire, it has had the opportunity of studying the reply sent in by the Indian Paper Makers' Association.

2. Some of the replies submitted are so contrary to fact and intend such grievous injury to Indian Industries and the public generally that this Association requests that the Board may examine with special care the replies to questions 3, 5 and 9. This Association also at its oral examination will be glad to have the opportunity of amplifying the remarks made in its reply to the Questionnaire on this subject.

3. In the meantime the Association makes the following statements:—

(Indian Paper Makers' Association Reply to Question 3)—

- (a) It is within the knowledge of the Indian Paper Makers' Association that the American definition of standard Newsprint includes only one variety of many kinds of Newsprint made in America.
- (b) It is within the knowledge of the Indian Paper Makers' Association that at no time has Government or the Board by

implication or otherwise committed itself to the principle that only newsprint, similar to the analysis they submit was to be admitted at the revenue duty.

- (c) It is within the knowledge of the Indian Paper Makers' Association that the majority of Newsprint requirements in India both for legitimate commercial work and for the newspapers, does not conform to the analysis submitted by them.

(Indian Paper Makers' Association Reply to Question 5)—

- (a) It is within the knowledge of the Indian Paper Makers' Association that papers imported as Printing Paper containing 70 per cent. of mechanical wood pulp, do not compete with Indian made paper.

(Indian Paper Makers' Association Reply to Question 9)—

- (a) It is within the knowledge of the Indian Paper Makers' Association that they have omitted from their list of non-protected papers a large variety of papers which are commonly imported into India, which are not and cannot be made in India and which do not compete with Indian made paper of any kind. It must also be within the knowledge of the Indian Paper Makers' Association that their suggestions in regard to M. G. Manilla, Boards and Wrappings are neither clear nor just nor have they any relation to fact or Paper Trade usage.

This Association urges that if the questions of Boards and Wrappings are to be considered, a special enquiry is essential as they involves issues which have not yet been investigated.

The qualities of Boards and Wrappings are so varied and their uses so manifold that any decision leading to an increase in the already high duties must inevitably react unfavourably on Indian Industry.

Apart from the Printing Trade, a few of the Industries directly concerned are Manufacturers of:—Playing Cards, Textiles, Boot and Shoe, Chemicals, Scent and Soap, Stationery, Card, Tags, Paper Box, Dairy produce, Tobacco and Cigarettes, and, in fact, every industry which utilises paper or boxes in the marketing of its product.

This Association protests at the completely unjustified attempt to enlarge the scope of protection by bringing under its provisions, papers, the protection of which will not in any way assist the Indian Paper Industry and it urges that the Indian Paper Makers' Association shall be compelled to advance adequate proofs that the Indian Industry will benefit, before the inclusion of any further classes of paper under protection shall be considered. A mere assertion is wholly insufficient.

(4) Letter dated the 29th July, 1935, from the Calcutta Paper Import Association, Calcutta.

Mr. Ward has compiled a list of current prices* including those classes which compete with Indian Mills and also some of the controversial lines. These are only for the present year, but I hope they will be sufficient. The calculations showing how much they cost with the revenue duty and protective duty will, I feel sure, be of use to you in making comparisons.

As regards suggested entries for the Statutory Schedule I find it almost impossible to make up any comprehensive entry which would include all the papers that would have to be mentioned if the residual class is to consist of the protected varieties. On the other hand if the non-protected are the residual class it would not be nearly as difficult. I attach a suggested list which includes one or two specifications that form part of

* Not printed.

our recommendations, but which may not be adopted and, in that case, they would require amending accordingly. The only other qualification necessary is that the class in which all controversial qualities are to appear must be signified. For example if Cartridge paper is not protected and Cover paper is, the inclusion and exclusion respectively would be mentioned in the two relative entries.

In trying to evolve an entry under the system whereby the protected papers would be the residual class it occurred to me that it might be possible to include a large number of papers under a definition such as "all sorts which have been subjected to one or more processes after manufacture other than sizing, pasting or finishing": The Canadians have a higher duty for two or more process papers and it might be possible to get some information of value from their tariff.

Mr. Ward has a strong feeling that papers containing a large percentage of Esparto should be exempt from protection in view of the fact that these are not competitive with Indian Mills Papers owing to their higher cost and if this view is accepted any entry would of course have to be arranged so as to cover this.

Enclosure.

SUGGESTED ENTRIES IF NON-PROTECTED SORTS FROM THE RESIDUAL CLASS.

Printing Paper.—Uncoated and, excluding Machine Glazed, weighing more than $10\frac{1}{2}$ lbs. per ream, 18×22 , 500 sheets, which contains no mechanical wood pulp or in which the mechanical wood pulp amounts to less than per cent. of the fibre content—Protective As. 1-3.

Printing Paper.—Weighing more than $10\frac{1}{2}$ lbs. per ream, 18×22 , 500 sheets, in which the mechanical wood pulp contents amounts to not less than per cent. of the fibre content glazed or unglazed white or coloured and strawboards—Revenue 25 per cent.

Printing Paper.—Coated Machine Glazed and all other sorts not otherwise specified—Revenue 20 per cent.—30 per cent.

Writing Paper.—Weighing more than $10\frac{1}{2}$ lbs. per ream, 18×22 , 500 sheets, which contains no mechanical pulp or in which the mechanical wood pulp amounts to less than per cent.—Protective As. 1-3.

Writing Paper.—Weighing more than $10\frac{1}{2}$ lbs. per ream, 18×22 , in which the mechanical wood pulp contents amounts to not less than per cent.—Revenue 25 per cent.

Writing Paper.—All other sorts not otherwise specified—Revenue 20 per cent.—30 per cent.

N.B.—In the above entries it would be necessary to mention the controversial papers by name in their respective classes.

Paper and articles made of paper and papier-mâché pasteboard, millboard and cardboard other than strawboard all sorts not otherwise specified—Revenue 20 per cent.—30 per cent.

(5) Letter dated the 1st August, 1935, from the Calcutta Paper Import Association, Calcutta.

I have had a talk with Mr. Ward and Mr. Dutt on the question of blotting paper. We think there is some misunderstanding in this connection and we all agree that blotting paper should not be protected. The grounds are that the mills with revenue duty agree that they secure some 50 per cent. of the tonnage and as they secure the whole of the Government orders and their total output is not more than 270 tons a year, it is clear that the line is not one of great importance either to them or to anyone else.

In addition the foreign paper that is coming costs about £17 per ton so that even with the addition of the protective duty it would still be cheaper than the average price decided on as reasonable by the Tariff Board, i.e., Rs. 464 per ton and is in fact still further below the actual price realised by the Mills which is about five annas a pound. The British papers sell at about the same price and the revenue duty on these amounts to about 9 pies per pound. There is only one other class of blotting (other than enamelled) and that is the interleaving variety used in peon books. That is very cheap and does not interest the mills in any way. Taking everything into consideration there appears to be no reason why blotting paper should not remain as it is.

Mr. Dutt feels rather strongly that, if the mills can ask for "blotting paper" to be reconsidered, the importers should be equally successful in their efforts to review the position regarding writing papers which are a much more serious problem now that the mills are claiming that Badami shall be treated as a writing paper. This is likely to cost the public literally lakhs a year without an atom of justification as this paper was not considered as a writing when the Tariff Board arrived at its decision. However, that is a matter for the future if your hands are tied or limited at the moment.

Mr. Ward is compiling some figures regarding Esparto paper and will send them in.

On other matters I think we have agreed on compromises in all cases and I will drop you an official note as soon as I have heard from you regarding blotting paper.

(6) *Letter dated the 1st August, 1935, from the Calcutta Paper Import Association, Calcutta.*

I attach a copy of a very important letter received by one of the local importers in connection with the system of analysis at present used by the Customs in India.

As you will see a paper manufacturer of very high standing casts serious doubts on the accuracy on the Spence and Krauss method when it deals with finely divided mechanical wood pulp and refers to another method which offers a greater degree of accuracy.

Enclosure.

Translation of a letter dated the 18th June, 1935, addressed to Messrs. G. Lochen & Co., Calcutta, by Mr. J. W. Zanders, Paper Manufacturer, Bergisch-Gladbach, Germany.

Re INDENT No. 3724, ART PRINTING PAPER WITH 70 PER CENT. MECHANICAL WOOD PULP.

I wish to take this opportunity to thank Consul Lochen for the visit which he paid me at Bergisch-Gladbach at the beginning of this month. I am particularly glad to have been able to discuss thoroughly with Consul Lochen the difficulties that have arisen in connection with the above shipment of White Art Printing Paper containing 70 per cent. mechanical wood pulp.

Consul Lochen went through the original manufacturing instructions from which he saw that clear orders were issued to the paper machine to manufacture the indent in question with a minimum contents of 70 per cent. mechanical wood pulp. These instructions have been strictly adhered to in course of manufacture.

When in spite of this the examination of the paper on part of the Customs authorities in India, has given the result that the paper contains

less mechanical wood pulp, the explanation is that the various methods of analysis used to determine the wood pulp contents are not absolutely reliable. The short-comings of these methods, all of which are familiar to me, will be explained below:

To start with I wish to emphasize that the mechanical wood pulp which is used in my Art Papers is a special quality which is manufacturing in my own mill only for this particular purpose. This quality differs largely, particularly in fitness, from the ordinary grades of mechanical wood pulp generally used in the manufacture of newsprint. This fact alone makes it obvious that it must be much more difficult to determine the exact percentage of mechanical wood pulp in my Art Printing Paper than it is to determine the percentage in the much more coarse pulp used in newsprint, where the fibres are much more prominent.

According to my experience, the most reliable method of analysis has proved to be the one with chlor-zinc-iodine as colouring medium which I always use in my laboratory which, as your proprietor Consul Lochen, has convinced himself, is perfectly equipped and most up-to-date in every respect.

Owing to the peculiarity of my special quality of mechanical wood pulp, even this method is liable to give as result an underestimation of the percentage of mechanical wood pulp, particularly when the chemist who undertakes the test is not fully acquainted with my quality of pulp. Firstly, the wood-fibres are sometimes so tiny that they hardly can be distinguished. Secondly, these tiny wood-fibres, under the influence of the chlor-zinc-iodine solution lose their yellow colouring already after a short time and adopt a colour similar to that of the chemical wood pulp. This is particularly the case when a too strong solution has been used, or when the preparation has been too long in contact with alkali. I gave your Mr. Lochen the opportunity to see for himself in the microscope how great the difference can be due to this reason, so that when estimating the percentage of mechanical wood pulp it is hardly to be avoided that a too low figure be arrived at if the utmost care is not given to the preparation of the solution.

As far as I know, the phloroglucin method is still frequently being used. However, according to my experience it is extremely difficult to obtain a correct result by means of this method because only the mechanical wood pulp fibres take the colouring. It is evident that it is not so easy to estimate the proportion of a coloured fibre in mixture with uncoloured ones as when both fibres have been so treated as to show distinct colours (as in the case of the chlor-zinc-iodine solution).

A third method for determining the percentage of mechanical wood pulp is the so-called colorimetric method. This method is also subject to a number of errors which make the result extremely doubtful, particularly in the case of papers containing a large proportion of mechanical wood pulp. Thickness of paper and contents of filler play a considerable rôle; besides, not all qualities of mechanical wood pulp are equally liable to absorb the colour. Coated papers such as those I manufacture in my mill cannot be tested by means of this method.

The well-known analytical method by Cross, Bevan and Briggs has the draw-back that it requires too much time. Besides, the power of absorption of various qualities of chemical and mechanical pulp is so different that the result will seldom turn out to be exact.

With regard to the microscopic test, the principal thing is the experience. In my laboratory up to 50 wood pulp tests are being undertaken daily, and these tests are being made by chemists who have been with me for over twenty years and who have the opportunity always to check the actual contents of mechanical wood pulp used in the paper, a facility which a Customs chemist never has.

As may be seen from the foregoing, all these tests have defects which give unavoidable variations in the testing results. Only to this fact can

I ascribe that the Customs authorities in India have found that my paper, which has actually been made with 70 per cent. mechanical pulp, apparently contains less. It is not possible for you to convince the Customs authorities about this, I suggest that the paper be tested by Messrs. Cross & Bevan, and by Manchester Technological Institute. I am ready to abide by the decision of these institutions and I wish to express the hope that the Collector of Customs in Calcutta will also be willing to abide by such decision.

In this connection I wish to mention that for several years past I have been shipping this very quality, manufactured in the same way with 70 per cent. mechanical wood pulp, to Bombay, and I have so far never experienced any trouble. It therefore appears that the chemists in Bombay have estimated the percentage of mechanical pulp correctly.

You may feel convinced that, having one of the finest paper mills in Europe with a *daily* production of over 80 tons of superior paper, based on over hundred years experience in the manufacture, I possess all the equipment required for the manufacture of a paper exactly in accordance with order, as well as all the equipment required for checking the manufacturing results in my up-to-date laboratory. Small paper mills who have not got the necessary experience and who have no modern laboratory are differently placed, and in their case such irregularities might happen.

If the Collector of Cutoms would like to appoint somebody attached to the British Consulate at Cologne to inspect my mills, I shall be most pleased to receive him and give him every possible facility. I shall also produce for his inspection the original order instructions and formula as shown to Consul Lochen during his recent visit.

(7) *Letter dated the 2nd August, 1935, from the Calcutta Paper Import Association, Calcutta.*

With reference to the evidence given by the Collector of Customs yesterday, the difference between possible and actual action under section 32 of the Sea Customs Act may lead to a misapprehension. I am, therefore to mention that:—

- (a) It is possible, and in cases of *malafides* it is compulsory, on the Collector to take over the goods at the importers valuation, but in practice this is never done.
 - (b) It is possible for the Collector to permit an amendment of an entry without penalty, but as far as I know this is never done.
 - (c) The actual usual practice in all cases is confiscation of the goods and a redemption penalty; the importer having no opportunity of challenging the evidence on which the case has been decided.
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(8) *Letter dated the 9th August, 1935, from the Calcutta Paper Import Association, Calcutta.*

As requested I beg to attach a price list of white newsprint from 26 to 35 grammes in sterling together with the rupee equivalent and the cost if the protective duty is added.

As regards blotting paper, I have been unable to secure a current invoice in Calcutta, but have enquired with Bombay and Madras. I am to say however that the price of £22 which has been mentioned by the Indian Mills is wrong. I attach original quotations* from Messrs. G. Lochen & Co, and Bhola Nath Dutt & Sons. One at £17 per ton, one at £17-10-0 and one at £20 from which it will be seen that even with the protective duty these prices come far below that charged by the Indian Mills and the quality is so entirely inferior that it cannot be held to compete. If further invoices are available, I will include them.

* Not printed.

Current Prices of Light Weight Newsprint.

Grammes per square meter.	Cost c.i.f.	Rupee equiv.	Including Rs. 37 N. P. Duty.	And Rs. 8 landing including Rs. 175 P. duty.
	£ s. d.	Rs. A. P.	Rs. A. P.	Rs. A. P.
26	15 0 0	200 0 0	245 0 0	333 0 0
27	14 17 6	198 5 4	243 5 4	331 5 4
28	14 10 0	193 5 4	238 5 4	326 5 4
29	14 5 0	190 0 0	235 0 0	323 0 0
30	13 15 0	183 5 4	228 5 4	316 5 4
31	13 5 0	178 10 8	221 10 8	319 10 8
32	12 10 0	168 10 8	211 10 8	309 10 8
33	12 7 6	165 0 0	210 0 0	308 0 0
34	12 5 0	163 5 4	208 5 4	306 5 4
35	12 2 6	161 10 8	206 10 8	304 10 8

Incidence of protective duty from 87½ per cent. to 107 per cent. on cost. Original invoices for some of these weights can be furnished if desired.

(9) *Letter No. 544, dated the 14th August, 1935, from the Tariff Board, to the Secretary, Calcutta Paper Import Association, Calcutta.*

I am directed to say that while the Board was in Calcutta your Secretary, Mr. Battey gave the Board to understand that your Association does not desire to press its claim for exempting esparto papers which contain 50 per cent. esparto grass and to request you to confirm this at your earliest convenience.

(10) *Letter dated the 17th August, 1935, from the Calcutta Paper Import Association, Calcutta.*

I beg to acknowledge your letter of the 14th instant, No. 544, and confirm that my Association does not wish to press its claim that papers containing a large percentage of Esparo should be exempt from the protective duty.

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THE CALCUTTA PAPER IMPORT ASSOCIATION.

B.—ORAL.

Evidence of Mr. R. J. D. WARD and Mr. W. K. BATTEY representing the Calcutta Paper Import Association recorded at Calcutta on Tuesday, the 30th July, 1935.

President.—Mr. Ward, you represent the Calcutta Paper Import Association?

Mr. Ward.—Yes.

President.—You are its President?

Mr. Ward.—Yes.

President.—Mr. Battey, you are the Secretary of the Association?

Mr. Battey.—Yes.

President.—How many members have you got altogether?

Mr. Battey.—Approximately ten.

Mr. Ward.—We can send you a list of our members later if you wish.

President.—I don't think that is necessary.

Mr. Battey.—All principal European importers in Calcutta and Messrs. Bholanath Dutt and Sons are our members.

President.—Can you give me an approximate idea of the amount of tonnage that passes through your members?

Mr. Ward.—It is not possible to give you an exact figure.

Mr. Battey.—I should imagine they form the large majority of imported papers.

Mr. Ward.—Business taken by our firm may be invoiced direct to dealers. For instance, our London Office draws direct on dealers. Therefore it is difficult for us to say.

President.—I am talking of the collective amount.

Mr. Ward.—We cannot say. It should be a very large proportion.

Mr. Batteja.—Would it be 30 per cent.?

Mr. Ward.—Over 50 per cent.

President.—I would like just to go through your replies to the questionnaire and then deal with controversial papers about which there have been disputes or divergent opinions since 1932.

Mr. Ward.—Yes.

President.—Your replies are in line with those of others which the Board has received so far as the question of differentiation between writing and printing papers is concerned. You agree with them that it is extremely difficult to draw a clear line of demarcation.

Mr. Ward.—Yes.

President.—You have suggested one or two means of differentiation, *viz.*, loading, sizing, etc. We have received various other suggestions, but none is considered to be final.

Mr. Battey.—They are not final.

Mr. Ward.—The term 'writing' dates back to the time when people actually wrote a lot. The typewriter was not in use then and writing papers played an important part. So, you had papers which were actually used by people to write on, but to-day the proportion of such papers is very small.

President.—One of the important importers has given a definition of writing paper and has said that if that is acted upon, the rest can be called printing.

According to him, every variety of writing paper must be wove or laid without alteration in quality.

Mr. Battey.—That is correct.

President.—But it would not meet all cases.

Mr. Ward.—No, because it would apply equally to printing.

Mr. Battey.—American manufacturers make a very large variety of laid printing paper.

Mr. Ward.—For books, pamphlets, etc.

Mr. Batheja.—Is there any particular reason why the writing paper should be laid?

Mr. Battey.—No, except that it is an old custom.

Mr. Ward.—It actually weakens the paper, and there is no advantage.

Mr. Battey.—Probably it is a question of appearance.

President.—The other thing you have referred here is the question of definition of newsprint, whether it is a class by itself or whether newsprint is one of the classes coming under printing paper. You have drawn the attention of the Board to the report of 1925 in this connection in support of your statement. We are already aware of the interpretation which the Tariff Board has put in their reports of 1925 and 1931. Printing paper containing not less than 70 per cent. mechanical pulp has been excluded from protection.

Mr. Ward.—There is one thing further: that is, that newsprint itself is one of many varieties of that class of paper. The definition of standard newsprint which the Mills give is quoted by the Indian Paper Traders' Association and their contention is that there are many other varieties of newsprint with different sizing, furnish and so on.

President.—We have seen that there are many printing papers which can be classed as newsprint and which come under the category of newsprint.

Mr. Batheja.—In other words newsprint does not mean only paper required for newspaper printing.

Mr. Battey.—No.

Mr. Ward.—There is one other thing to be remembered in this connection. The United States of America unlike India manufactures mechanical papers. They therefore define newsprint and protect the local industry because they have mechanical wood pulp in the country. It is hardly right for India to do that.

Mr. Batheja.—The definition given by the Paper Makers' Association is not of newsprint but of standard newsprint.

Mr. Ward.—Quite.

Mr. Battey.—In America they do protect a lot of newsprint but not standard newsprint which they require for various purposes.

Mr. Batheja.—Do I take it that the standard newsprint is exclusively used for newspaper printing?

Mr. Battey.—Yes.

Mr. Batheja.—Newsprint does not mean newspaper print?

Mr. Battey.—No.

Mr. Batheja.—I distinguish between newspaper print and newsprint.

Mr. Battey.—Yes.

President.—The only paper about which there is controversy in regard to this class is unglazed coloured thin news. The Central Board of Revenue have ruled that below 7½ lbs. Demy should pay revenue duty on the ground that they are not made in India.

Mr. Battey.—Yes.

President.—Yesterday during the examination of the representatives of the Paper Makers' Association, the Board discovered that the manufacturers were not making anything below 10½ lbs. and I think they have given us to under-

stand that they would not raise any objection if it was raised to 10 lbs. Demy, I suppose that will meet the point of view of importers.

Mr. Battey.—Yes, if 10 lbs. and below are unprotected.

President.—I have said 10 lbs. Demy to be on the safe side.

Mr. Ward.—May I suggest that you put all weights in grammes?

President.—Yes I agree. Below 10 lbs. Demy would be 35·5 grammes.

Mr. Ward.—Yes.

Mr. Battey.—I actually worked it out and found that the Mills could not produce anything below 12 lbs.

President.—I have taken below 10 lbs. in order that there might be some safe margin.

As regards the Spence and Krauss method which is at present in vogue in various Custom Houses, your opinion is that it has worked satisfactorily?

Mr. Ward.—Yes.

President.—You are of opinion that it is certainly a much better method than the one which was previously in vogue?

Mr. Ward.—Very much better.

Mr. Battey.—Still we suggest that there should be a larger margin.

President.—At present, you are allowed, altogether about 10 per cent. margin?

Mr. Ward.—Yes.

President.—5 per cent. and 5 units.

Mr. Ward.—Yes, but we are really concerned with 5 per cent. below. We have the specification of 70 per cent. If we order 75 per cent. paper, obviously we are going to make a bad paper.

President.—I think in this instance I must say a great latitude is given to the importers by the Central Board of Revenue's decision which I read yesterday.

Mr. Ward.—Yes.

President.—They have given you this latitude and further discretion has been vested in the Collectors of Customs provided they are satisfied that the paper ordered was to contain more than 70 per cent. mechanical pulp.

Mr. Battey.—I think that Mr. Dutt had one particular case in his mind when he referred to this point. He was asked to pay 1 anna 3 pies on a mechanical art paper on the ground that it contained 60 per cent. mechanical wood pulp and when he asked for a re-test it went to Lahore and was found to contain 70 per cent.

President.—If it has worked satisfactorily, if it is a distinct improvement on the past and if you have nothing further to suggest to take its place, I think for the present it may be retained.

Mr. Battey.—We have cited one instance. We had two mechanical papers arriving from the same source, by the same ship and made obviously at the same time. One was assessed at 30 per cent. and the other at 1 anna 3 pies.

Mr. Batheja.—Are these cases not very rare?

Mr. Battey.—I agree they are not very common.

Mr. Ward.—But the punishment to the innocent importer is colossal.

Mr. Battey.—That was a typical case where the Collector of Customs should have exercised his discretion, but he did not.

President.—There was another suggestion made—and I wanted to know whether it would help you if that were adopted—by the Government of His Exalted Highness the Nizam of Hyderabad. The Director of Industries in his representation agrees that the Spence and Krauss method is a satisfactory one at present, but he says, "It is, however, a quick method for estimation of newsprint composition and only in cases where the results obtained are on the borderline, the more accurate Phloroglucinal method of Cross and Bevan as

standardised for temperature and time by Dunncliffe and Suri should be employed. Such a procedure will not give rise to disputes". I wonder whether you have considered this aspect of the question.

Mr. Battey.—We know the Phloroglucinal method but not the further developments to which you refer.

President.—Probably you have not given any consideration to that question.

Mr. Battey.—No.

President.—This is an important point, as far as you are concerned, and I thought I might draw your attention. If you think that it is worth while considering that method. You may let us know your views later on.

Mr. Battey.—Yes.

Mr. Ward.—There is one other thing which I want to bring to your notice and I do not know whether it is within your power to recommend anything in that connection. It is quite unnecessary that the Customs should make a chemical examination of the paper. In theory, they have the right to examine every shipment and every consignment of goods that enters the docks. In practice, they don't do it. In theory again under the law, they can test every consignment of paper, but surely it can be recommended that if obviously the same class of paper is coming in time after time, they should only pick out one out of five or six shipments or whatever is necessary to see whether anybody is trying to avoid the law. The loss of time to both the Customs and the importers is considerable.

President.—Other importers have also raised the point with regard to loss of time, penalty clause and the delay that is taking place. All these factors tend to cause serious harm to the business and I wish to raise those questions when the Collector of Customs comes to give evidence before the Board. I have taken note of the points mentioned and I can only deal with them when the Collector of Customs comes before the Board but it is really not within our terms of reference. I shall ask him to do his best to remove your difficulties.

Mr. Ward.—Yes.

President.—I find that the prices that you have given in reply to question 8 are not what we would like to have. I wish you had given us more details about them.

Mr. Ward.—You asked for those classes of paper which competed with the locally made paper.

President.—In your letter I think you said that you would be submitting prices later on.

Mr. Ward.—We have not had time to send them in. We shall send them to you later.

President.—If you will send them even now they may prove useful to us for comparison.

Mr. Ward.—Yes.

President.—I will now come to the question of controversial paper. Take for instance mechanical art paper.

Mr. Ward.—We agree with the price given, namely £27 per ton Calcutta port.

President.—The tariff valuation of that paper is 1 anna 1 pie per lb.

Mr. Battey.—Yes. We also agree that it should not come under the present heading.

Mr. Ward.—It should come under coated paper.

President.—Those papers which contain not less than 70 per cent. mechanical wood pulp?

Mr. Battey.—Yes.

Mr. Ward.—This is an important paper the importation of which has increased very much on account of the fact that Hindu pictures which used to be printed in Germany are now printed in India.

President.—I suppose you have no objection to the tariff value remaining for other papers.

Mr. Ward.—None whatever.

President.—I would rather make it clear because I understand there are certain papers which are called white printings containing 70 per cent. and above mechanical pulp coming under the tariff value. Tariff value is a fixed value which is Rs. 151 per ton and there are certain papers which I find come above that price. Have you any objection to the tariff value remaining for other papers except for the mechanical art?

Mr. Battey.—I agree. This mechanical art does not compete with anything that is manufactured here. The paper which competes with the Indian paper is Imitation Art. They refer to Imitation Art rather loosely. It is a highly finished wood free paper. Mechanical coated art is a different paper. Mechanical art is coated but the Imitation Art is not coated. The paper which would compete with the Indian Imitation Art is not the real art or coated paper but our Imitation Art.

President.—Imitation Art, if it contains below 70 per cent. will pay automatically protective duty.

Mr. Battey.—Yes.

President.—It is the mechanical art which is coming in with not less than 70 per cent. mechanical wood pulp which is being assessed at the tariff value.

Mr. Battey.—Both the Papermakers Association and ourselves agree that coated paper should have a separate heading.

Mr. Ward.—I think they have also almost agreed that the duty should be 30 per cent. instead of 25 per cent. on 1 anna 1 pie.

Mr. Batheja.—It might be worth while creating a separate class.

Mr. Ward.—In the original Tariff Board they stated that the Indian Mills did not make any coated paper. They left them under the protected class. At that time, the price with the protective duty was the same as with the revenue duty. That condition has been altered by the fact that the duty has been increased from one anna to 1 anna 3 pies and the price of these papers has been decreased. There is no doubt that the original Tariff Board had in mind that coated papers should be put under a separate heading.

President.—I think you are referring to the Tariff Board of 1925. This is what they say of art and coated papers:—"These papers are not made in India, and are not likely to be made for many years, if ever. They are expensive—the prices ranging from 6d. a lb. upwards. The uniform specific duty of one anna a lb. will amount to 15 per cent. or less on such papers. The same considerations also apply to the expensive Bond and Bank papers." What is the price now of coated papers?

Mr. Battey.—£37 for Continental wood-free.

Mr. Ward.—British papers—£38 to £46. The condition has been altered by two factors—(i) reduction in price, (ii) increase in the duty. The revenue duty to-day is not the same as before.

President.—With regard to the point mentioned regarding the imposition of surcharge, I suppose you know that it is not within the province of the present Tariff Board.

Mr. Ward.—We are disappointed.

Mr. Battey.—There is one point which arises in considering what would compete with the Indian paper, and that is, what is to be added to the price. The surcharge is nominally a temporary affair.

President.—Yesterday I pointed out to the paper manufacturers that even if I included the surcharge, the gap between non-protected and Indian-made was too big. That is why I was calculating Rs. 175 instead of Rs. 140 as the protective duty. There is another point in the same paragraph with regard to the writing paper. I suppose you know by now that all writing paper is protected.

Mr. Ward.—Yes, and you have no power to alter it.

Mr. Battey.—There is a very serious matter raised by Mr. Pudumjee yesterday. They say that Badami is a writing paper.

President.—As far as the Board's powers are concerned, I must tell you, as I told them, that since 1925 all writing paper has been protected which means that even if the paper contained not less than 70 per cent. mechanical wood pulp, it would pay the protective duty. There is one other item, *viz.*, the residual class. You want to exclude from protection all classes of paper that are not made in India and mention "all other sorts, not otherwise specified", which means residue to be non-protected. It is rather an important point. The practice, as far as the Customs are concerned, is this. In the first place there are those papers which are coming in under well-known trade names like Chromo, Marble, Cigarette Paper, etc., on which the Customs have a clear direction as to the classification but if a paper comes under a name which is not known to the trade, then the practice is that Customs appraisers do not take the name into consideration. He examines the paper, and finds out whether it is a writing or printing paper according to the standard laid by them. If it is found to be a writing paper, it comes under the protective duty and if it is a printing paper, is assessed according to its mechanical pulp content. If it is neither a printing nor a writing paper, then it is immaterial, as far as the manufacturers are concerned, whether it is classed under item 87 or 85, or 44. Your point of view is that there are a large number of papers that don't compete and they should be classed under the residual one.

Mr. Battey.—If the residual class is protected, then we suggest that it is necessary that a complete list of papers should be specified as unprotected.

President.—Suppose the residual class is protected as suggested in the Government scheme, then whether it competes or not would be called upon to pay a protective duty unless it can be assessed under the existing tariff items.

Mr. Battey.—You are only dealing with writing and printing paper.

President.—The Board has to classify all paper for tariff purposes as per our terms of reference. It is essential for the Board to have your views on this matter as the decision may affect your sales.

Mr. Ward.—There are exceptions. I have here a new kind of paper which has been circulated to various Customs and so far we have got two answers, one from Rangoon and another from Madras. One classifies it under protection and the other does not. I am not arguing the point, but I am showing you the difficulties of the Customs.

President.—That must be left to the discretion of the Customs authorities. Suppose a particular Custom house decides that an unknown paper should be classed as printing paper then it must be accepted at least for the time being. The Board can only compile a list of the papers so far known to the trade and give directions as to how they should be classified for Customs purposes. It can never be a complete list.

Mr. Ward.—That is so.

President.—The names also overlap. One paper we are told has got practically three names. Protection applies only to printings and writings.

Mr. Ward.—Yes.

President.—Now let me discuss the question of the disputed papers and find out whether it is possible to bring about an agreement between you and the paper makers so that the Board's task may be considerably lightened. I do hope you will help the Board as far as possible to bring about an amicable settlement so that the trade may be carried on smoothly. The first item is M. G. Pressings. M. G. Pressings, are, at present, according to the Central Board of Revenue, classed under two heads: those which are used as cover papers are classified as printing papers and here I would like to make it clear

at the very commencement that if it is a printing paper it will be assessed according to its mechanical pulp content.

Mr. Ward.—It would come under Covers.

President.—The suggestion is that substance below 18×22 Demy = 24 lbs. or $17 \times 17 = 28$ lbs. should be classed as printing paper. Working in grammes it would come to 85·2 grammes. Is it not?

Mr. Battey.—And below that is wrapping paper?

President.—Yes. Can we take it that you agree to this paper being classed as printing paper below 85·2 grammes? You will not raise any objection?

Mr. Battey.—No, we won't object.

President.—We come to Duplicator paper. This paper also is at present classified into two categories.

Mr. Battey.—What they call hard sized duplicator paper would never be used as writing paper.

President.—But the Customs to-day are classifying hard sized duplicator paper as writing paper.

Mr. Battey.—They are wrong. The real idea is this: If you print a circular on a hard sized duplicator paper and write your signature on it you make it look like an original letter.

Mr. Ward.—The mills suggest that soft sized duplicator paper should be classed as printing paper. If soft sized duplicator paper is put under printing, there should be no trouble. But we say all duplicating papers soft or hard should be 'Other sorts'; it is neither printing nor writing paper. It is a class by itself.

President.—According to the representations received by the Board if the paper is hard sized then it is really a writing paper. Name is immaterial. It is the physical characteristics.

Mr. Ward.—Where does half sized duplicator paper go?

Mr. Battey.—There are various grades of sizing.

President.—That goes under the revenue duty at present.

Mr. Battey.—You maintain that it should be classed as a separate paper?

Mr. Ward.—Yes. The tonnage is very small.

President.—The present practice is this: Hard sized duplicator which can be written upon without the ink spreading comes under 44 (3) as paper "all other sorts" and the rest goes under the revenue duty. Their point is that all the other sorts which at present go under the revenue duty must go under the printing class.

Mr. Ward.—We agree to that.

President.—The next item I come to is "Cover paper". You have no doubt seen the Central Board of Revenue ruling?

Mr. Battey.—They have made various rulings. They are not paper experts and they have other rulings which are not agreed to by us.

Mr. Ward.—In actual practice the cheaper class of cover papers containing 70 per cent. mechanical compete with the local mills. Cover papers come under the revenue duty.

President.—If what you say is correct then I do not see why you object to cover papers coming under the printing class?

Mr. Ward.—Cover paper coming from Great Britain pays 1 anna 3 pies and no paper in this country competes with that.

President.—Is it 70 per cent. and over?

Mr. Ward.—They do not use mechanical in the British cover paper at all but cover papers made on the Continent containing 70 per cent. mechanical are competing with the Indian mills.

President.—They would be automatically protected.

Mr. Ward.—We say that everyone should be protected.

President.—We can't distinguish all classes of cover paper.

Mr. Battey.—If all came under the revenue duty it would be to the advantage of the Indian manufacturers.

President.—Cover papers are mostly coloured papers?

Mr. Battey.—Yes.

President.—Therefore they won't come under tariff value; that only applies to white and grey.

Mr. Ward.—Then market value and 25 per cent.

President.—But if British papers are competing with them it would be difficult for them to say that they would agree to those being classed under the revenue duty.

Mr. Ward.—British cover papers are better.

President.—Have you got prices of cover papers?

Mr. Ward.—There are so many of them, but we will try to send you some of the prices.

President.—Which is the paper that is competing with the Indian paper?

Mr. Ward.—The cheap ones.

President.—What is the name?

Mr. Battey.—It is just cover paper. We advance the principle that cover paper is primarily used as a wrapper and the fact that it is printed on has nothing to do with it. The Central Board has laid down that ordinary use is the determining factor and we agree with that. It does not matter what you call a particular paper; its use in India must be the determining factor.

President.—I have read the ruling. It was in connection with the question raised by the paper manufacturers in the case of a particular class of paper called war printing. The Central Board of Revenue has laid down that the proper criterion as to whether it was a printing paper or a writing paper was its ordinary use in India.

Mr. Battey.—Cover paper is also used for decoration.

President.—Name is not the criterion to judge a paper.

Mr. Battey.—It is probably one of the most accurate definitions in the paper industry because it is used as a cover.

Mr. Batheja.—What is the ground for classifying cover paper under printing; is it actually printed on for envelopes? What is its largest printing use?

Mr. Battey.—It is printed only as a cover.

Mr. Batheja.—Is it printed at all for envelopes?

Mr. Battey.—No. Envelopes will not ordinarily be printed on it; envelopes are sometimes made from cover? Catalogue and envelope paper when it is desired that the catalogue and envelope shall match.

Mr. Batheja.—If you look at the 1925 report, at the end, cover papers were included under the protected class not because they are printing papers but because the Tariff Board thought that there was no reason why the Indian mills should not produce them (page 120). The Tariff Board of 1925 assumed that these papers could be produced and produced economically by the Indian mills and therefore they ought to be protected.

Mr. Battey.—But they produce only one sort.

Mr. Ward.—They have made no effort to get embossing machines.

President.—You are probably aware that according to the 1925 report cover paper is a protected paper and therefore if it is a protected paper, it can come only under the printing class. It cannot come under the writing class. There are only two classes of paper which are at present protected and if the Tariff Board of 1925 says that a particular paper is a protected paper then it must come under one of the two classes.

Mr. Ward.—Actually there was no statement to that effect.

President.—Tariff Board in 1925 decided that cover paper should come under protected class and it would be difficult for us to go over that decision unless the trade is unanimous on the subject. I think it would be better for you to agree that it should come under the printing class.

Mr. Battey.—I don't think we agree but I do not think there is any strong objection.

President.—You do not object to cover paper in any furnish being assessed under the protective duty?

Mr. Battey.—If you give up the Central Board of Revenue's ruling regarding M. G. Pressings which we say is a different class altogether, we would not object.

President.—It is within our terms of reference to consider the rulings of the Central Board of Revenue in the light of the experience gained by the trade.

Mr. Battey.—We do not agree but we do not object. That is a cover paper (shown) and was originally assessed at 30 per cent. on the ground that it is pasted; it is not pasted. I might say that the duty has been refunded. The allegation was that it is a cardboard. We must know when we import a paper what duty we have to pay.

President.—I agree with you when you say that you would like to avoid uncertainty in trade.

Mr. Battey.—This was based on the Central Board of Revenue's Ruling.

President.—They have given you the refund?

Mr. Battey.—Yes.

President.—I will now discuss the Blotting Paper. It is said that the Blotting Paper is neither a printing paper nor a writing paper. I have asked for the prices of the various qualities of Blotting paper in view of the fact that in 1925 it was considered as a paper which might be protected, but it was left on the ground of price. I don't think you would raise any serious objection to the Board considering it on these lines?

Mr. Battey.—We would.

President.—Why?

Mr. Ward.—The Indian Mills make one kind of blotting paper. They don't use bamboo pulp in it and you will be grouping all blotting papers which are not manufactured in India under the protected head if you protect Blotting Paper. The prices range from £16 to £30.

Mr. Batheja.—Are there many varieties?

Mr. Ward.—Yes.

President.—Have you got any concrete suggestion? We have been promised a note on this subject from the Paper Manufacturers.

Mr. Ward.—That is neither printing nor writing paper. It comes under other sorts.

President.—As I said, we are guided by the decisions of the 1925 Report, unless they have been altered by the 1931 Report. This was left out only on the ground of price; otherwise the decision might have been in favour of the manufacturers. If you like we might obtain your views in writing when the note is received.

Mr. Battey.—The question is whether, looking purely from the point of view of the public interest, it is worth while protecting Blotting Paper. After all these years they have only made 213 tons. What advantage the public get by protecting blotting paper.

President.—That is not quite reasonable because they may have been prevented from producing more if the price is unremunerative.

Mr. Ward.—The freight on blotting paper is very very high.

President.—I don't like to discuss the question in detail, because I have not sufficient information before me. If any question arises, we will write and let you know.

Mr. Ward.—All that we desire is that we should be given an opportunity to express our views on that point. One Blotting Paper is coated Blotting Paper.

Mr. Battey.—That is coming in quite a lot.

President.—From which countries?

Mr. Battey.—England, Germany and America.

President.—Can they be distinguished from other Blotting Papers?

Mr. Battey.—Yes.

President.—And the lined ones?

Mr. Battey.—They are not actually coated.

Mr. Batheja.—Is it possible to subdivide Blotting Paper into two sorts so that the qualities made by the Indian Mills may be protected leaving the others to come in under the non-protected class?

Mr. Battey.—That can only be done on the basis of price.

Mr. Ward.—Our contention is as they do not use Bamboo, it should not come under protection.

President.—The other disputed paper is the Cartridge paper.

Mr. Ward.—Yes.

President.—There are two classes of Cartridge paper, white and drawing.

Mr. Ward.—Cartridge and Drawing papers must go together. The Printing Cartridge paper is not in dispute.

President.—White Printing Cartridge.

Mr. Ward.—For printing purposes. No one would dispute that. The dispute centres round the Drawing Cartridge and Drawing Papers.

President.—What are these Drawing Papers?

Mr. Ward.—Anything from a cheap Cartridge paper to an expensive drawing paper.

Mr. Battey.—As a matter of fact all these cheap Cartridges which come in drawing size are Drawing papers. No one can say that these cartridges are not for drawing. They represent a very small proportion of the imports.

President.—As far as I know the Customs are distinguishing the White Cartridge which is printing paper and the Drawing Cartridge by the question of surface. Drawing has a rough surface.

Mr. Ward.—And weight also.

President.—It is stated here that Cartridge papers having a rough texture suitable for use as Drawing Papers demonstrably differ from Cartridge paper for printing—no paper weighing less than 28 lbs.

Mr. Ward.—We disagree with that. The Mills themselves suggested 24 lbs. on page 2 of their replies to the questionnaire. We suggest 23 lbs. and that you classify those below 23 lbs. as printing paper.

President.—Do you agree to class it as Printing Paper?

Mr. Battey.—It is hard sized. Their evidence was that the printing paper is soft sized. I think the whole point is that they have misunderstood what it is being imported for.

Mr. Batheja.—What is it being imported for?

Mr. Battey.—For envelopes perhaps.

President.—It is coming under printing class.

Mr. Battey.—I am only going on the Mills' evidence.

President.—It is used for Offset Printing.

Mr. Battey.—Offset Cartridge paper is somewhat different from the ordinary Cartridge paper.

President.—What is your suggestion in this matter? Do you agree with their suggestion of substance $18 \times 22 = 24$ lbs.

Mr. Battey.—As far as the weight is concerned—24 lbs. and up. We agree that 24 lbs. are used for drawing purposes.

President.—So I say $18 \times 22 = 24$ lbs. Below that it should be printing paper.

Mr. Battey.—I don't think we would object to that. The only thing is I might disabuse your mind of the fact that it is being used as substitute for Antique paper which is a soft paper, whereas Cartridge paper is a hard paper.

President.—That is a matter of opinion.

Mr. Batheja.—It is not used for printing?

Mr. Battey.—No, it is used for envelopes.

President.— 18×22 is equivalent to 85·2 grammes?

Mr. Battey.—Yes.

President.—We will try and give equivalent in grammes. It is much better to clarify as much as possible, so that Customs may have little difficulty for assessment. The other paper is M. G. Wrapping. Manufacturers also admit that it is chiefly used as Wrapping Paper.

Mr. Ward.—Yes that can be classed as wrapping.

Mr. Batheja.—They said that they had modified the position which they had taken up in their letter of 8th or 9th July.

President.—The Customs classify certain qualities of this paper as printing paper which is suitable for use as cover paper. If there is any ambiguity, I believe in clarifying it. I think your contention is correct that the trade must know exactly how paper is classified for Customs purposes.

Mr. Battey.—If M. G. Wrapping is a Cover Paper, it is no longer M. G. Wrapping.

President.—But certain qualities of M. G. wrappings resemble M. G. pressings. Let us take Badami or buff paper. You are probably aware of the long discussion which the Board had yesterday with the representatives of the Paper Manufacturers. They admit that at present Badami or buff Paper is coming as printing paper and is being assessed according to its mechanical pulp content. Their contention is that Badami paper should have been correctly classified as writing.

Mr. Battey.—Here are two sample books of the Mills showing that they themselves classify Badami as printing paper.

President.—These have been also supplied to us by the Traders.

Mr. Battey.—The definition of Badami will solve the difficulty.

President.—If it is classified as Printing Paper, then the difficulty disappears. I am going to enquire again from the Collector of Customs, Bombay and Madras where I understand the paper is coming. The Customs here have not noticed any imports of this paper and the prices I have received are also Bombay prices and not Calcutta prices. Are you dealing in Badami papers?

Mr. Ward.—Only in Madras for Government.

President.—But not in Calcutta?

Mr. Ward.—No.

President.—Can you give me the Madras price?

Mr. Ward.—They have given it.

President.—You don't dispute the price of £11 per ton given by them?

Mr. Ward.—No.

President.—If it is classed as Writing paper, what would be the percentage of duty that would amount to? I find that if I take the ordinary badami as £10·15·0, then it comes to as much as 122 per cent. including the present surcharge or 100 per cent. if I take the normal protective duty.

Mr. Ward.—Yes.

President.—Apart from that, as I told you, if a paper is going to be classed as Writing Paper, then it is immaterial at present for the Board to consider

whether the protection is excessive. The point which the Board has to examine is the actual use to which it is put. The criterion laid down by the Central Board of Revenue, is the actual use in India. Messrs. Advani and Company have given us the prices of the Badami papers—one is better class and the other is ordinary. The better class of Badami is coming in at £13, but both these classes we are informed are used. For instance the unglazed Badami is used by the Railways and Indian States, and glazed hardsize Badami is used by Government and Railways for all their correspondence and records. Does that mean Printing or Writing?

Mr. Ward.—Both, because they use hardsized printing as writing paper, it doesn't follow that it is a writing paper.

Mr. Batheja.—Here is a sample given by Messrs. Advani and Company. They say definitely that it is used for writing purposes.

Mr. Ward.—May I carry the discussion one stage further? You are guided by the 1925 Ruling.

President.—Subject to alterations made in 1931.

Mr. Ward.—Badamis were submitted to you in 1925 and 1931 as printing papers and if they had been submitted as writing papers the whole question of protection on Writing Papers might have been altered.

President.—In 1931 there was a discussion about Badami paper.

Mr. Batheja.—What do you think of this paper which has been specified as suitable for writing?

Mr. Ward.—Any wrapping paper can be used as writing paper.

Mr. Batheja.—On page 120 of the 1925 Report in their Note on the proposed Sections of the Tariff Schedule under 'Partly Mechanical Paper' it is said: "Papers containing a proportion of mechanical pulp do in fact compete with the writing and printing papers made by the Indian mills, and especially with 'badami' paper. They cannot be excluded from the protective tariff unless the percentage of mechanical pulp is 65 per cent. or more".

Mr. Battey.—If you were aware in 1931 that these papers were eventually to be brought before you as writing papers, you might have considered very long before you recommended the 100 or 120 per cent. duty.

President.—The duty, as you know, was calculated on an average. They have taken all the qualities of paper and then they said that the average price which the Mills should get is 3 annas 5¹/₂ pies. Not one paper, but a series of papers they took before the average price was fixed. You take your stand on the statement prepared by the Bengal Paper Mills in which they have classed Badami as a printing paper. I may tell you that a very large quantity of Badami paper is being produced in India.

Mr. Ward.—Imported into Bombay.

President.—No, produced in India.

Mr. Ward.—What do they use?

President.—They use rags and other suitable materials.

Mr. Ward.—They don't use Bamboo.

President.—I have not ascertained that fact because it is immaterial for our present inquiry.

Mr. Ward.—Then it should not be protected.

President.—They also use a large proportion of grass and sulphite pulp. We have not prohibited the use of wood pulp. Therefore that is not a criterion to exclude a paper which is made partly of wood pulp.

Mr. Wood.—The Act is entitled 'The Bamboo Industry Protection Act'.

President.—If you see the Report, you will find that we have not prohibited the use of wood pulp. Gradually wood pulp would be replaced by the bamboo pulp, but not immediately. They have made efforts to make paper out of Bamboo and I think they have met with success. The Deccan Mills are using sabai grass and rags.

Mr. Ward.—But not bamboo.

President.—It cannot be ruled out because bamboo is not used. That should not be the criterion. Protection to sabai grass as a raw material was not recognized because it was thought that the scope for expansion was limited.

Mr. Battey.—There is a point which is probably beyond the scope of the enquiry which has been referred to in our original representation. This reference to mechanical papers is a definite admission that the mills can never become self-supporting. It shows that they fail to fulfil the third essential condition laid down by the Fiscal Commission.

President.—I agree it is beyond the scope of this inquiry.

Mr. Battey.—The implication is very serious. There is another point which I want to mention. The sample book of writing papers of the Titaghur Mills do not include Badami.

President.—We have got samples from various mills. My colleague has drawn your attention to the fact that one of the importers has been importing it as a printing paper and supplying it as a writing paper.

Mr. Batheja.—It has been supplied to local Governments for that purpose.

President.—Even in 1925, it was considered both a writing and printing paper.

Mr. Ward.—It is after all used in the Army List.

President.—There are probably three or four varieties of this paper, and I think it will be helpful if we can get some more information.

Mr. Batheja.—What is the exact definition of Badami?

Mr. Ward.—Originally it was on account of the fact that they were unable to bleach paper—that is what I imagine! It is not used anywhere else in the world.

Mr. Battey.—It saves the necessity of using bleach. These papers have been coming in for a long time.

Mr. Batheja.—It can be used for both purposes.

Mr. Ward.—So can all.

Mr. Battey.—Sizing has nothing to do with it.

Mr. Batheja.—I am talking of the normal use. I am not talking of the capacity of certain use in one direction. Your contention is that it is more used as printing than as writing?

Mr. Ward.—Yes.

Mr. Battey.—The point is that the mills themselves have caused this confusion. If you look at their own statement, you will find that all their printings are hard sized.

Mr. Batheja.—That is how the confusion has been created. Writings containing 70 per cent. and more of mechanical wood pulp are protected, whereas printing papers containing 70 per cent. and above mechanical wood pulp are not protected. You know that they have supplied even at a loss.

Mr. Ward.—I think the trouble has arisen over Badami on account of the fact that the local mills have lost orders from the Governments of Madras and Burma and would have lost the United Provinces Government order also if they had not decided to supply at a loss. The question arises whether the Government of India and other Governments have been using a class of paper too high in quality for their purpose. Mechanical news need not be Badami. Mechanical paper is absolutely good enough for many purposes of Government work taking such things as the Army List, Railway Guides, etc., which are used for a few months. The Government of Madras and other local Governments have discovered that they were using a higher class of paper than is necessary and they have taken steps to alter this situation. Is it right on that account to say that printing paper is used for writing?

Mr. Batheja.—If you oppose the contention that Badami paper is not a writing paper, when you mention that it is a printing paper, what is your justification for that statement?

Mr. Ward.—It is a printing paper.

Mr. Batheja.—How do you class it as a printing paper?

Mr. Ward.—My experience tells me that it is a printing paper.

Mr. Batheja.—Do you define it from the use to which it is put?

Mr. Ward.—Yes.

Mr. Batheja.—This quality was used according to your experience as a printing paper and now its use has been changed.

Mr. Battey.—The use is the same as before.

Mr. Batheja.—You have just now said that the local Governments have discovered that it can be used as a writing paper.

Mr. Battey.—You might call it a new variety.

Mr. Ward.—The importers are not interested in this question. There is no profit in Government contracts. The Governments concerned should be asked about that. You cannot forbid the Madras Government from changing over to white paper.

Mr. Batheja.—Who are the other large users of Badami paper?

Mr. Ward.—Indian States.

Mr. Batheja.—They are local Governments under the new Federation.

Mr. Battey.—These papers do not compete with the Indian mill products. If you maintain the Indian price at 70 per cent. above world parity, you are bound to have people who will find substitutes. If the quality of local mills paper was necessary for a particular job, the 70 per cent. paper would not fill that gap. In other words, the fact that 70 per cent. paper does meet the requirements shows that the paper they were using formerly was much too good and consequently it is not a question of competition. The man who must have this good quality cannot take the other. If a man who must have this paper takes the other paper, then you may say there is competition.

Mr. Batheja.—On account of the cheapness factor, competition may not be direct but it may be indirect.

Mr. Battey.—They lose some business and they are bound to lose business. If you increase the prices by protection, particularly by the surcharge, you are bound to lose some business. It is not due to real competition. It is more the result of force of circumstances than competition.

Mr. Ward.—Unless of course you maintain that no paper should be consumed in India under 3 annas 3 pies a lb.

President.—That is the average price. They do produce below that. In paragraph 11, page 3, of your letter of 24th June 1935, you are drawing our attention to Litho and Esparto papers. I suppose you know that in 1925 there was a discussion about the Litho paper. It is being classed as protected paper. But about Esparto papers I would like to know what your point is. You have also mentioned them in your proposed Tariff Schedule.

Mr. Battey.—Esparto papers containing a large percentage of esparto do not compete with papers made in India.

President.—Can you name some papers?

Mr. Battey.—Writing and printing.

President.—They must come under a different class.

Mr. Ward.—There is no reason why they should not.

President.—We can classify them under non-protected for tariff purposes, provided the necessity is proved. At present, being wood free papers, they come under the protected class.

Mr. Ward.—If it is wood free, it is a chemical wood paper.

President.—Is there no indirect competition with these papers?

Mr. Ward.—No, because these are highly priced papers.

President.—There are so many papers which are highly priced.

Mr. Ward.—These papers contain 50 per cent. and more of esparto.

President.—Then, you will have to get them tested.

Mr. Ward.—It is unnecessary. If Indian printing is to develop on the lines of printing business in Great Britain or America, it is essential that they should have these better qualities which at present they are not getting.

President.—If they could be distinguished as such without any difficulty and if it is proved that they are not competing, directly or indirectly, with those manufactured in India, then the Board might consider the question. But at present I think they are coming under the protected class.

Mr. Ward.—Yes, under writing and printing.

President.—Can you distinguish between Esparo writing and Esparo printing papers?

Mr. Ward.—The only way to do it would be by chemical test.

President.—The chemical test would only decide the content of mechanical pulp. Before any test is carried out, the customs generally classify all papers according to the standard laid down for them. If any paper is declared a writing paper, it must pay the protective duty. Is esparto paper a printing paper like marble paper, flint paper, etc.?

Mr. Ward.—It is a printing paper.

President.—But you also say that it is a writing paper. If you say that it is also a writing paper, you must separate the two.

Mr. Ward.—Just as you have wood paper for both writing and printing, you have esparto writing and printing paper.

President.—The test which the appraiser applies in deciding a paper whether it is a writing paper or not is to write and find out whether the ink is spreading.

Mr. Ward.—Yes.

President.—Granting that what you say is correct, you must admit that if it is declared a writing paper, it must pay the protective duty.

Mr. Ward.—Yes, we agree.

President.—Only for the printing class you want the exemption?

Mr. Ward.—Yes.

President.—If you give me the prices of esparto papers which come under the printing class, I will enquire and find out whether they are competing with Indian papers. If they compete, they cannot be excluded. If they do not, then we might consider your suggestion.

Mr. Ward.—The Indian Mills will agree that they do not compete with their papers.

Mr. Batheja.—Arising from this discussion, can you give me an idea of these esparto papers? Have you got samples?

Mr. Ward.—No, not here.

Mr. Batheja.—Why do you propose to group them under a separate class?

Mr. Ward.—If the printing trade in India is to develop they should be allowed to use these papers. At present their prices are excessive.

Mr. Batheja.—Why should it be necessary for them to use?

Mr. Ward.—To get better results.

Mr. Batheja.—Are they coming in at present?

Mr. Ward.—Only in small quantities.

Mr. Batheja.—For what printing work?

Mr. Ward.—For offset printing, block printing, etc.

Mr. Batheja.—For high class printing?

Mr. Ward.—Yes.

Mr. Batheja.—Are they expensive now?

Mr. Ward.—4 to 5 annas a lb.

Mr. Batheja.—At present, they are protected?

Mr. Ward.—Yes.

Mr. Batheja.—If they are so expensive, the protective duty would not be very much higher than the revenue duty.

Mr. Ward.—There will be quite a big difference.

Mr. Battey.—They are right out of the Indian class.

Mr. Batheja.—You are aware of the difficulties experienced by the Board in 1925 in trying to exclude Litho papers. There is no satisfactory definition.

Mr. Ward.—We have not asked for the exclusion. We realise the difficulties.

President.—With regard to paragraph 16, this is again a point which will have to be discussed with the Collector of Customs. I would like to have some details in support of what you say in paragraphs 16 and 19. What is exactly your point about Section 30 (a) of the Sea Customs Act?

Mr. Ward.—It deals with the market value. I have not come across any, but the bazar dealers complain bitterly of the values which are suggested by the Customs.

President.—You know the system adopted by the Collector of Customs. Appraisers who deal with this matter make proper enquiries to find out what the market value is but according to you the method employed is not satisfactory.

Mr. Ward.—No.

Mr. Battey.—As a matter of fact in recent months, the Indian dealers have submitted a list of market values which have been approved by the Customs. There are other papers which are coming in. The dealer has no opportunity of challenging that value. He does not know.

President.—I suppose the dealer does know the market price, because on that price, the duty is fixed.

Mr. Ward.—He must declare first.

President.—He has to fill in a form and mention the price which will probably be equivalent to the invoice price.

Mr. Battey.—Then, the Customs say "you are wrong. The value is so much". If it was only that, it would not be so bad. What happens is they take action under section 32 which lays down absolutely definitely the action that should be taken by the Collector of Customs. The Collector ignores that and takes shelter under the last few words of the Section which deal with one specific point. The custom is that they confiscate the goods, and allow the importer to take them under a redemption penalty *plus* the enhanced duty. He cannot challenge the market value of the Customs. He does not know where it comes from. Section 32 lays down that when the Customs disagree with the dealer's declaration they must take a certain course in 48 hours. They must let him clear at his valuation or take over the goods at his valuation. But they take shelter under the last few words of a section which relates to something different.

President.—You must also agree that when the Collector of Customs has to assess the duty, he must make such independent enquiries as are necessary to find out that the statement made is a *bonâ fide* one.

Mr. Battey.—Yes.

President.—The method which is employed by the Customs people is open to objection only if the price is fictitious. What we have been given to understand is, that they do take some precaution and find out from actual

dealers the prices at which business in that paper has been transacted. It cannot therefore be regarded as a hypothetical figure.

Mr. Ward.—Suppose I am importing paper for Delhi how can sale have taken place when it passed through the Customs?

President.—They take the price of similar paper of which sales have taken place in Calcutta.

Mr. Ward.—Quoted price is always high. In any case I am not complaining about that; we are complaining of the method adopted.

Mr. Battey.—I have no quarrel with the prices they put provided they act according to the law.

President.—I will however try and ascertain the actual method from the Collector of Customs when he comes to give oral evidence. What period would you suggest should be rent free?

Mr. Ward.—Seven days will be proper.

President.—The only matter which remains to discuss is the question of the tariff schedule which you have given us. You give two kinds of tariff schedules though not exactly as we would have liked it. The first one is, as I told you, not very complete. We have got a somewhat exhaustive list a copy of which was supplied to you yesterday.

Mr. Ward.—We have not had time to examine the classification suggested by the manufacturers.

President.—Would you agree to this, that you might send us a small note embodying your suggestions. This classification that has been sent in by the manufacturers is for the consideration of the Board. It includes the suggestions made to us about the disputed papers. If there is any suggestion that you wish to make in connection with this you might let us know in time.

Mr. Ward.—There are so many things not embodied and we ourselves might leave out something.

President.—The Board has received a number of suggestions with regard to the proposed Tariff Schedule. If you have anything fresh to place before the Board you might do so as early as possible.

Mr. Ward.—We shall do so.

Mr. Batheja.—The President has covered a good deal of the ground but I wish to be sure of your general position as regards this classification enquiry. The Tariff Board in 1925 and in 1931 proceeded to recommend protection to the paper industry on three assumptions. Naturally if you accept those assumptions then the case will have to be considered in the light of those assumptions. These assumptions were that the paper must not compete with the Indian paper if it is excluded from the protective tariff; that if excluded from the protective tariff and so rendered relatively cheap it must not be likely to compete with Indian paper, and that it must be possible to define such paper in such a manner that it can be readily identified for Customs purposes. Do you agree to these principles?

Mr. Ward.—We have to.

Mr. Batheja.—It is quite feasible for you to say that these classes of papers are not produced by the Indian mills and ought to be excluded but if you accept the principles on which the protective scheme was arrived at, then it may be excluded on other grounds. For instance your contention may be absolutely valid and still may be ruled out on the ground that it does not suit Customs administrative purposes.

Mr. Battey.—Those definitions which you have just read out are grounds on which paper may be excluded from protection.

Mr. Batheja.—These are the principles which weighed with the Tariff Board in 1925 and in 1931 in determining the lines of protection. If you accept these principles much of the discussion may be avoided.

Mr. Ward.—The trouble is to define how far competition goes. You can say that any paper competes with Indian mill-made paper directly or indirectly. You can say a Ford Car competes with a Rolls Royce but I imagine no one would suggest protecting a factory making Rolls Royce cars to prevent the Ford car coming in.

Mr. Batheja.—In the very nature of things it is difficult to define that; there will be difference of opinion and on a balance of the considerations the Tariff Board will have to come to one conclusion or other. You must have noticed the discussion on page 120 of the 1925 Report on some papers which were not produced by the Indian mills, e.g., Litho paper; they were definitely brought within the scope of protection. It was admitted that they were not produced by the Indian mills but they were brought within the scope of the protective duty because "they could not be defined with sufficient precision to enable them to be excluded".

Mr. Battey.—I would not call it even indirect competition.

Mr. Batheja.—If the class of paper coming from abroad is excluded from the scheme of protection it will be used as a substitute for the indigenous article. That will be indirect competition.

Mr. Battey.—That is rather wide. You have ignored the question that we have raised that after using a paper much too good for the purpose he discovers a cheap paper good enough for the purpose.

Mr. Batheja.—I grant that: you cannot carry this vague principle so far as to put down in black and white that one pice paper competes with two anna paper; this principle will have to be used with some discretion. But it will certainly apply to those papers which come fairly near.

Mr. Battey.—If you accept the ratio laid down by the President yesterday, that if you add the protective duty and still it comes below then the papers are not competitive, then I think we will accept that.

Mr. Ward.—Mechanical papers containing 70 per cent. have not competed with Indian paper or taken away from Indian mills any tonnage of importance.

Mr. Batheja.—Would you maintain that paper containing 70 per cent. mechanical pulp is not competing with Badami? After all Badami paper produced by the Indian mills is not intrinsically comparable with badami containing 70 per cent. or more mechanical pulp.

Mr. Battey.—If you put it that way it does compete because you are keeping up the Indian papers at a highly fictitious price. Even without the one pice surcharge the Indian paper would then be a little closer to world parity.

Mr. Batheja.—Subject to this difference of opinion about indirect competition you accept these principles?

Mr. Battey.—Yes.

Mr. Ward.—Subject to my own interpretation I accept.

Mr. Batheja.—The final interpretation will be given by the Board, after taking into consideration the views of all witnesses. Coming to another point—this residual class—you would much rather prefer that the protected class should be specified and the rest should be left out?

Mr. Battey.—Yes, they are very few and it is far more definite and far easier to specify these papers and leave any others in the residual class. The President has said that it only applies to printing and writing papers. We are only concerned with printing and writing papers and our situation is clarified to a certain extent.

Mr. Batheja.—Even then there are many varieties of papers which come into the market which may not be produced by the Indian mills and which may get automatic protection if the protected class is a residual class.

Mr. Battey.—We want that the unprotected should be the residual class. The point really is that you specify the protected papers and in any

case if a paper comes into India which can be used for printing and writing our friends will automatically bring it under the protected class.

Mr. Ward.—They are always trying to assess at the higher duty.

Mr. Batheja.—If on the whole it is your view it will assist me at least personally if you could give us a complete scheme on this assumption. It will be very convenient to have both the points of view, the paper manufacturers' point of view and importers' point of view. So far both the paper manufacturers and importers have framed schemes for our consideration based on the assumption that probably the Government of India scheme referred to in Mr. Drake's letter dated the 2nd July will be given effect to and most of these schemes are framed on that basis.

Mr. Battey.—Items proposed in the tariff schedule.

Mr. Batheja.—That does not mean that the present items may not be modified with a view to making it an improved scheme and with a view to avoid controversy between the importers and manufacturers. You did give us an outline in a private note to the President, but if you could develop it further we might examine and see how the two schemes work.

Mr. Ward.—We will do that.

Mr. Battey.—When would you like to have that?

Mr. Batheja.—As soon as possible.

Mr. Battey.—We will send it to you in two days.

Mr. Batheja.—Coming to your representation to the Board dated 24th June, 1935, I shall confine my questions to paragraphs 4 and 7. Paragraph 4 deals with the residual class and paragraph 7 deals with the nature of competition. In paragraph 9 you argue that if the production by the Indian Mills of a certain class of paper is small, that ought not to be a sufficient ground for excluding a large variety of imported papers.

Mr. Battey.—Not necessarily.

Mr. Batheja.—The important point for consideration is whether the proportion is a growing proportion. The tariff is not merely to protect the existing industry, but under the Assembly Resolution to enable the industry to expand.

Mr. Battey.—There is not much scope for expansion in Indian qualities.

Mr. Batheja.—There are certain classes of papers such as cover paper, blotting paper, etc., which they are producing in small quantities, but which you probably think ought not to be protected on the ground that they represent a small quantity. I want to ask a question whether there is a growing quantity. That is the crucial question.

Mr. Ward.—The scope of the market is so limited for one quality of blotting paper. Even in the case of printings they make only a small number of qualities of printings. Therefore to supply the whole market's consumption of blotting paper is not a practical proposition. The market met by the Indian product is very small.

Mr. Batheja.—The variety of the Indian Mills production is not very great?

Mr. Ward.—No. It is made only by one mill as far as I can see.

Mr. Batheja.—In reply to the President you said they are making varieties of blotting paper.

Mr. Battey.—They are only making one quality.

Mr. Batheja.—Varieties of coloured paper.

Mr. Battey.—They make varieties of colours but in one quality.

Mr. Batheja.—If we accept the principle that because production is small and therefore it should be neglected on the ground of protection, how is the industry to expand? I am not talking of the safeguarding of the industry, but of the expansion of the industry. We have to take that into consideration. As a matter of fact that fact did weigh with the previous Tariff Boards.

Mr. Ward.—There is not the possibility. If there is room for expansion in a particular line which they are in a position to manufacture, then I think you should consider that point.

Mr. Batheja.—You modify your position accordingly?

Mr. Ward.—Yes.

Br. Battey.—What we say is, the fact that they make a small quantity should not be a criterion to protection.

Mr. Batheja.—Will you give specific examples of the kinds of papers you have in mind?

Mr. Battey.—Air Mail paper, Manifold White Paper.

Mr. Ward.—It is not economical for a mill of that kind to make.

Mr. Battey.—The one thing that Mills want is the tonnage. The bigger the production the lower the cost. They try to get the machine running day and night on one quality if they can. That is their ideal. Take Air Mail Paper which happens to be protected. It is an example where they make a small quantity and put in a claim for protection. I would say that under no circumstances should protection be granted on the ground that they make a small quantity of paper. They make only one variety and the whole class is subject to protective duty.

Mr. Batheja.—These remarks apply to cover paper?

Mr. Battey.—Yes. They have also asked for protection of boards. They make only one variety which is really a thick paper, but there are hundreds of varieties of boards which have definite characteristics and which cannot be made by them.

Mr. Batheja.—What is the incidence of the protective duty on Cover Paper?

Mr. Ward.—You get 70 per cent. mechanical. They go up to 60 per cent.

Mr. Batheja.—Specific duty waters down to a very small sum.

Mr. Ward.—When you pay high price, it doesn't matter which it is.

Mr. Battey.—We are advancing principles and not our own specific interests.

Mr. Batheja.—Here is an instance of a paper which doesn't deserve to be protected on the first two grounds, but is being protected on the third ground, because it is difficult to define it.

Mr. Battey.—Which one is it?

Mr. Batheja.—Litho paper.

Mr. Battey.—We agree.

Mr. Batheja.—In paragraph 13 you have stated a very interesting principle of exempting certain classes of paper which Indian Mills cannot produce, because they are not equipped to produce below a certain weight. Do you want that to be applied universally or subject to modifications?

Mr. Ward.—We think it might be applied to Cover Paper.

Mr. Batheja.—Is that position accepted by the Manufacturers?

Mr. Ward.—Yes.

Mr. Batheja.—In certain classes of paper and not all classes.

Mr. Ward.—It would be easier to apply to all.

President.—This was meant principally for unglazed coloured thin papers which they cannot manufacture below a certain substance.

Mr. Battey.—Barring this Air Mail Paper they don't produce anything below this.

President.—They require special machines to produce papers below this.

Mr. Ward.—The market is not big enough. It would not pay them.

Mr. Batheja.—It pays them to produce coarse paper?

Mr. Ward.—No.

Mr. Batheja.—I mean bulky papers?

Mr. Ward.—Papers of given substance.

Mr. Battey.—It pays them to make papers of 12 lbs. and upwards.

Mr. Batheja.—In paragraph 14 you deny flatly that writing papers can be distinguished from printing papers according to the amount of sizing.

Mr. Battey.—We do. Writing paper must be sized and printing paper may or may not be sized.

Mr. Batheja.—Paper manufacturers have tried to investigate this question to see whether any test can be made to find out the exact percentage of sizing.

Mr. Ward.—There are tests for determining sizing. Their own manufacture shows that they cannot enable you to differentiate. Their printing is hard-sized.

Mr. Batheja.—Why do they make hard-sized Printing Paper: to serve a double purpose?

Mr. Ward.—I think so.

Mr. Battey.—They make 12,000 tons of hard-sized printing against 15,000 tons of soft size. Why should the Indian Mills apply one standard to themselves and another standard to imported paper? Take the case of Badami.

Mr. Batheja.—Take the physical attributes which are capable of exact mathematical measurement so that there may not be any difficulty felt by the Customs. What is your test? The technique of the paper manufacturers has advanced so far that it is very easy to make a distinction.

Mr. Battey.—We can only say this: writing paper must be sized and printing paper may or may not be sized.

Mr. Batheja.—Printing paper in any case must be soft sized paper.

Mr. Ward.—No. What about the Bank Cheque Papers? They are all made of printing paper and all stand writing.

Mr. Batheja.—How do you distinguish?

Mr. Battey.—It is very difficult. Sometimes the sizing will tell you and sometimes the dimensions.

Mr. Batheja.—There are only two tests. The amount of sizing cannot be found out except by feeling the paper.

Mr. Battey.—By testing.

Mr. Batheja.—And size of the paper?

Mr. Battey.—You get the sizing and the dimensions sometimes.

Mr. Batheja.—The dimension cannot be a proper test for determining the writing paper, because you can import paper in large size and cut it up later on to writing size.

Mr. Ward.—18 x 22 is a common size to both.

Mr. Batheja.—You cannot suggest any mathematical criterion?

Mr. Battey.—I don't think there is one.

Mr. Batheja.—In our schedule writing paper is treated differently from printing paper as regards mechanical wood pulp content. So the difficulty arises. In other countries probably the difficulty doesn't arise.

Mr. Ward.—There is hard-sized news. I would not advance this definitely, but I would like to support it by saying that it is used in the printing of Koran for lithography.

Mr. Batheja.—For lithography you do require hard-sized?

Mr. Ward.—Fairly hard-sized. When do you get 100 per cent. sizing? No one knows what 100 per cent. sizing is? It is wasting time in trying to find out what it is.

Mr. Batheja.—What is the offset printing?

Mr. Ward.—That is a form of printing.

Mr. Batheja.—How does it differ from the ordinary lithograph?

Mr. Battey.—Printing is not done direct from metallic or stone surface; but from the rubber blanket.

Mr. Batheja.—What is the object of this offset?

Mr. Battey.—You can use a very rough paper. You print first of all on the rubber blanket and then on the paper. In the case of ordinary printing you print direct from the stone to the paper.

Mr. Batheja.—In paragraph 15 you mention certain happenings in connection with the Cover Paper which you think ought to be taken into consideration. What are those happenings which you refer to?

Mr. Ward.—M. G. Pressings is not a Cover Paper.

Mr. Batheja.—You don't want to press this?

Mr. Ward.—No.

Mr. Batheja.—Have you complained to the Customs authorities about the difficulties? The proper authority for settling this is the Central Board of Revenue. Have you brought this to the notice of the Central Board of Revenue?

Mr. Ward.—Yes.

Mr. Batheja.—What is the result?

Mr. Ward.—The point is that the Board should be aware that we pay 30 per cent. duty on the market value which includes such charges as rent, rates, wages and personal living expense and also on theoretical profit.

Mr. Batheja.—I need not worry you about Newsprint. Standard Newsprint doesn't mean Newspaper Print?

Mr. Ward.—No.

Mr. Batheja.—For the purpose of statistics they are classified under one heading. The Paper Manufacturers would not understand the President's point. They have tried to separate the two. Printing as such subject to the exemption of 70 per cent. is protected. When the whole class is protected, it is not necessary to mention a smaller class.

Mr. Ward.—The more you divide the more trouble you are going to have. After the Government enquiry we are trying to get one classification for writing and printing.

Mr. Battey.—I would not mind having the details which might be a help to enquiries like this.

Mr. Batheja.—It is worth while doing if a newsprint is definitely a class which can be defined. Granting that you don't accept the definition of the Paper Manufacturers, is there any other definition which can be accepted for the purpose of classification?

Mr. Battey.—We will have to go back to 44 (I) where there is a reference to printing containing 70 per cent. of mechanical wood pulp.

President.—It is difficult to have a definition which will be acceptable to both parties, because one is trying to impose the duty and another to avoid the duty.

Mr. Batheja.—How is Newsprinting classified for statistical purposes?

Mr. Battey.—According to the Statistics here newsprint comes under the heading printing paper, protected and unprotected.

Mr. Ward.—It must be white printings.

President.—There are also coloured printings?

Mr. Ward.—Yes, coloured printings.

President.—They must come under other sorts?

Mr. Ward.—Yes.

Mr. Batheja.—In paragraph 18, you refer to a price convention existing between Indian Mills. What is your evidence for that statement?

Mr. Ward.—It is a well-known fact. The Controller will tell you that they all quote the same price. In Calcutta, the price is the same, except that the price of the India Paper Pulp Company is one pie less. It is a question of their balance sheets.

Mr. Battey.—They agree not to cut each other's throat.

Mr. Batheja.—The reason why I am asking this question is I want to know whether the prices which they have supplied in their written memorandum are competitive prices or not.

Mr. Ward.—They have not given you separate prices. They have given you one price.

President.—They might have given an average price.

Mr. Ward.—In Bombay, they have a common selling organisation.

Mr. Batheja.—It means that the paper manufacturers have a sort of cartel?

Mr. Ward.—Yes.

Mr. Batheja.—Is it confined to the Calcutta group?

Mr. Ward.—Deccan is in. Lucknow is not in, but there is some sort of arrangement between them.

Mr. Batheja.—In paragraph 19, you have mentioned price as a basis of division. You have made that suggestion before, but it has not been accepted on the ground that probably the figures given may not be trustworthy. That may be practical difficulty, but I want to understand, supposing that difficulty did not exist, what sort of price you would fix as the basis of division into protected and non-protected?

Mr. Ward.—In that case, it would require examination. The price will have to be agreed to by the local mills.

Mr. Batheja.—I may mention this. This principle is accepted in other countries. I know the tariff schedules of some countries say that articles above and below certain prices pay a certain duty. I take it that the difficulties have been solved in those countries. I should like to know what price you would fix as a dividing line.

Mr. Ward.—At present prices, I would say above £18 and below £24.

Mr. Batheja.—Do you think that the Indian paper manufacturers cannot produce paper below that price?

Mr. Ward.—Yes.

Mr. Batheja.—Anyway, it seems to be a rough and ready method.

Mr. Ward.—I said £18. They would probably say £16 and then you would decide.

Mr. Batheja.—Here is a list containing the names of papers mentioned by you and others. You will know from this which papers are protected and which are not protected.

Mr. Ward.—Do you wish me to add?

Mr. Batheja.—I don't mind if that would make the list complete. Bearing in mind the compromise which you have reached, please tell us which should come under the protected class and which should come under the non-protected class.

Mr. Ward.—Yes. May I say one thing in connection with the 70 per cent. mechanical printing? From what has been said yesterday, the general opinion of paper manufacturers seems to be that mechanical printings have improved tremendously and are now competing with their papers. We as importers deny that absolutely. The demand has not altered in any way and the better qualities of mechanical printings cannot be sold even when they contain 70 per cent. mechanical wood pulp.

President.—I don't think that it has anything to do with the point we discussed this morning. The point was that they were paying duty on the tariff value which was unreasonable having regard to its actual value.

Mr. Ward.—I am talking of the newsprint class containing 70 per cent. mechanical wood pulp. It has been stated that mechanical printings are now competing with the Indian Mills white printings. We say that the demand in India is entirely for the newsprint class and not for the better class of mechanical printings. So far as we know—we do know because we book the orders—there has been no turnover from what we call white printings to mechanical printing papers and although the onus of proof must be on the mills, they have not given a single instance.

Mr. Batheja.—They have given some statistics. I do not know whether they are conclusive or not. I should like your opinion on those statistics. They have shewn that the import of mechanical writings has increased.

Mr. Wards.—Not the better qualities of mechanical printings containing 70 per cent. mechanical pulp. Here is a recognised one made by Boneguard which is one of the largest Scandinavian exporters and which makes a better class. We might sell it but we do not. The demand in India is for what we call unglazed or glazed news costing £10 to £13. There is no demand for £15—£16 paper. We again repeat as indentors—and I am willing to have my orders scrutinised for the last two years either by the Tariff Board or by one of the Mills—that there is no turnover from free printings to mechanical printings. My orders are open to inspection by anybody.

Mr. Batheja.—Their contention seems to be that there has been a turnover from mechanical free printings to mechanical writings, that is to say, paper containing 70 per cent. mechanical wood pulp which was formerly used for printing is now used for writing.

Mr. Ward.—One instance they did give. Mr. President ruled writings out. Just a small tonnage of that paper has come in. As far as printings are concerned, Mr. Cameron has definitely stated that they are so definitely improved that they are competing. Our orders are open to inspection, and they have not given one instance of that kind.

President.—I do not know whether this point was made quite clear. Yesterday they wanted to give instances and you know that I ruled that the printing paper as such comes under protection and not newsprint. Therefore if it comes under printing paper it automatically follows that a paper containing 70 per cent. mechanical wood pulp and above must pay the revenue duty. In that case, the question of competition does not and cannot arise. This point is not so important as it might have been if only newsprint was intended to be protected, as it was made out by the manufacturers.

Mr. Batheja.—The point would be relevant if the competition of mechanical paper was with the writing paper.

Mr. Ward.—Small quantities have come. I don't deny that. May I say a word on the lack of expansion in the use of protected papers? The local mills have been disappointed, but I think they forget the trade depression and the economy which has taken place in all the Governments. Their prohibitive price of £35 a ton as against £18 a ton in England must affect the use of paper. Then again, Indian mills have shewn no ability to make papers for publicity. There has been an increase in the consumption of paper needed for publicity work.

Mr. Batheja.—What do you mean by publicity work?

Mr. Ward.—For advertisements. Nor can they make paper for new industries such as box making all of which are growing in India, so that it is the non-protected class which will continue to grow. I find that the margin of growth in the protected class is narrow.

Mr. Batheja.—Do you think that it is narrow because the field is captured in an increasing measure by the mill.

Mr. Ward.—The actual tonnage has not increased in the protected class.

President.—The point of view they have put forward is that the non-protected class has increased, and has reached the level of 1929-30, viz., 7,775 tons. You have tried to explain by saying that it is not capturing their market but that it is finding new avenues.

Mr. Ward.—Yes.

President.—That is also a point relating to expansion. It is not a question of classification. We are only concerned with the question of classification in this enquiry. That might be a relevant point when the question of substantive protection was being considered. You may say that they are not making efforts to expand the industry.

Mr. Batheja.—The classification is such that it affects their expansion.

President.—There is only one point with regard to posters. They want them to be classified as M. G. Posters. I suppose you have no objection to that.

Mr. Ward.—No.



Calcutta Paper Traders' Association, Calcutta.

A.—WRITTEN.

(1) *Letter dated the 27th June, 1935.*

Re CLASSIFICATION OF PAPERS.

We beg to acknowledge receipt of a copy of resolution No. 202-T. (1)—35, dated the 25th May 1935, Department of Commerce, regarding revision of the existing classification of paper and submit the considered opinion of our Association on the subject as follows:—

1. That in view of the complexity of the problem and its wide and far-reaching effect both on the trade and on the public, the time allowed for submission of our views to the Board is considered to be very short and inadequate.
2. That in consideration of the fact that the existing classification of paper for the purpose of Protective Tariff has been evolved through the practical working of about a decade and has been working more or less to the satisfaction of all parties concerned, it is in our opinion unnecessary, and absolutely uncalled for at this stage to disturb it.
3. That before we submit our views to the Board we beg to draw their attention to our representation submitted in connection with the Letter No. 202 (T.)-33, dated the 2nd June, 1932, from the Secretary to the Government of India in the Department of Commerce, a copy of which is enclosed herewith for your reference (Exhibit A*).
4. That in support of the view expressed in paragraph 2 of this representation we beg to state that the intention of the protection has been fully served by the existing classification as will be evident from the present prosperity of the Indian Mills. They have considerably extended their plants by adding new machineries, they have been regularly paying very handsome dividends to their shareholders besides maintaining a large number of European officers in the high posts.
5. That in our opinion the sole criterion in determining whether a particular kind of printing and writing paper ought to pay the lower Revenue Duty or the higher Protective Duty should be the percentage of Mechanical Wood Pulp contained in the paper. The purpose for which such paper may be used is absolutely irrelevant from the tariff point of view.
6. That for the tariff purposes the classification of printing and writing paper from its content of Mechanical Wood Pulp is the only safe and scientific method and any other method is bound to be uncertain and vague.
7. That in arriving at a classification the Board should be careful that protection is not extended to such classes of paper as are not manufactured in this country through any faulty decisions as this will be going against the intention of the protective policy. We submit that all sorts of paper whether printing or writing containing Mechanical Wood Pulp 65 per cent. or 70 per cent. and the classes of paper which cannot be manufactured in this country such as Chromo, Poster (M. G.), M. G. Pressing, Art, Flint and Stereo, etc., should be subject to Revenue Duty only. The result can be secured by making a list of the papers manufactured in serious quantities in India and exempting all others.
8. The classification of paper recently published by the Indian Mills is annexed herewith (Exhibit B†). Though this Association of ours do not recognise it, still taking it for granted we may say that papers under Printing head are also used for Writing purposes, and those under "Writing" heads can also be used for Printing purposes, and even under "Miscellaneous" heading there are certain items which can be used both for Writing and Printing purposes. In connection with this

* Enclosure A.

† Enclosure B.

list of classification we may refer to "Text Book of Paper Making" by Cross & Bevan, Fourth Edition, page 346, where it has been mentioned:—

"That the uses of paper fix certain definite lines of demarcation which are the basis of a classification of papers. Thus, we might indicate the following main groups:—

- (A) Writings and Drawings.
- (B) Blottings and Chemical Filter Papers.
- (C) Book and other Printing Papers, including "News".
- (D) Wrappings.
- (E) A Miscellaneous class, which includes paper used for protecting insulations for certain decorative uses, such as Wall Papers, Cartridge Papers.
- (F) Boards.

It is hardly necessary to point out that these classes overlap in many directions. Thus, papers are at once writings and book papers; others are suitable both for printing and as finer wrappings. *In fact, classification of papers has only a general significance and no useful purpose would be served by multiplying details."*

Under the circumstances stated above it is doubtful how far it will be successful.

Now if it is only meant for Protection purpose, all sorts of paper, whether printing or writing containing Mechanical Wood Pulp 65 or 70 per cent., and the class of Printing which can not be manufactured for want of materials and machineries such as Chromo, Poster (M. G.), Art, Flint (according to trade-box covering) and Stereo (Absorbent) paper, will be subject to Revenue Duty, and all other sorts of Printing or Writing to be assessed at Tariff Duty. In this connection additional Secretary to the Government of India along with their No. 202-T. (83), dated the 5th December, 1932, forwarded to us a copy of communications from the Indian Paper Mills jointly, where the mills tried their best to extend their scope; but the Government refuted them.

Further Sir George Rainy's suggestion to reverse the procedure in the manner that the protection duty will be applicable to all kinds of paper except those which are specified for exemption, can not be acceptable on the ground that up till now a complete list of exemption is not available; even it seems to us impossible when we look at the broad list of classification, say about 1,200 in number in a book edited by C. J. West, Vice-Chairman, for the Committee on Classification of Paper A. P. P. A. (U. S. A.), and we think that with the advancement of Industry some more will be added. However, according to trade usages we beg to give below a short list of classification of Papers.

List of Classification.

1. Absorbent:—Blottings, Enamelled Blottings—Interleaving, Matrix (Stereotyping), Duplicating.
2. Boards of all kinds including Building Boards.
3. Covers (excluding M. G. Covers and Covers containing 70 per cent. or more M. P.)—Subject to Tariff Duty.
4. Newsprint—White and Coloured Glazed and Unglazed containing 70 per cent. or more M. P.
5. Printings (excluding Coated Papers and M. G. Poster and Newsprint)—Subject to Tariff Duty.
6. Coated Papers—including Art and Chromo (Printings) Flint (Wrapping), Marble, Gummed Papers, Coated Poster and Coated Boards.
7. Writing papers—Banks, Bonds, Ledgers, Parchment, Manifold, Creamlaid (excluding paper containing 70 per cent. or more M. P.)—Subject to Tariff Duty.

8. Tissues—Plain, Coloured and Fancy.
9. Wrappings—including Box Covering and Metallic Paper.
10. Drawings and Tracings.

The "Statesman" application.—Our Association have been supplied with a copy of representation by "Statesman" to the Secretary to the Government of India endeavouring to get the newsprint exempted altogether from Revenue Duty prevailing at the present moment under agreement with the local paper mills to support each other in bringing newsprint within Tariff. But our Association points out that, on enquiry from Postal Department the Board will come to learn that in India there are several thousand newspapers, out of which a handful of newspapers import their requirements direct, while the rest purchase their requirements from the market. On closer investigation the Board can easily imagine what will be the position of all these newspapers if the suggestion of the "Statesman" be accepted. If protection is granted to the newsprint papers as suggested by the "Statesman" added with Tariff Duty it will be higher in price when purchasing from dealers' stock. And thereby it will be impossible for them to stand in competition with the big newspapers whose financial position and big requirement of paper will help them to import, though their number is very very limited. The result will be that the business of small papers will be stopped for ever, and the wealth of big newspapers may be increased by the destruction of small ones.

A very large number of Trade catalogues and cheap books are printed with newsprint paper and we enclose herewith some specimens (Exhibit C*). If these books are to be made with paper purchased at a higher price, Trade and Primary Education will be practically suspended. If the intention of the "Statesman" is towards the spreading of education, we think they should look to this aspect of the effect of their suggestion.

It is a known fact that heavy duty on the book papers is practically a taxation on education. England is a rich country where the price for good book-printing paper at the present exchange is at As. 1-9 per lb. whereas in Calcutta the similar grade of paper is being sold by the Indian Mills at As. 3-6 per lb.

We believe that the Indian Mills with proper economy can sell the book-printing paper at an all round cheaper rate, because outside Bengal, in almost all places, they are selling at a cheaper rate. In most up-country places price of printing paper of the Indian Mills is As. 3 per lb. and we have information that to the Travancore Government, the Mills quoted at As. 2-6 per lb. free delivery to Travendrum. We presume that the said newspapers without due consideration of all these facts only plead for their self-interest leaving aside the mass to suffer.

If these newspapers consider that it is the newspapers alone can help the spread of the education then what about the position of the other newspapers, periodicals, etc., printed with those papers containing less than 70 per cent. Mechanical Wood Pulp? It is no doubt and admitted fact that cheaper cost of those papers will be equally helpful for spreading out the education. If cheap papers are brought under the Protective Duty it will mean that inexpensive literature will no longer be produced in India on account of high cost. My committee fears that those books will be printed abroad and imported free of duty into India thereby killing the printing and binding Industry in this country.

The question of printing paper containing 70 per cent. Mechanical Wood Pulp was fully dealt with in all the enquiries of 1925, 1927 and 1931. The reason for leaving aside this sort of paper outside the Tariff is that Mechanical Pulp is very cheap and not manufactured here, and is so very cheap that paper made with this pulp, even with added Tariff Duty will remain much cheaper.

* Not printed.

The all newspapers give the definition of "Standard Newsprint" and not for the newsprint in general. In this connection two authoritative impartial opinions are given below:—

1. "We refer a letter addressed to my Association by the Import Committee of the American Paper Industry, New York, August 24, 1926 (already published in the Report of Tariff Board Enquiry of 1927, page 64) where he clearly dealt with the term 'Newsprint'. It is a term applied in this country to a class of cheap printing paper, consisting of 70 per cent. to 80 per cent. ground wood and the remainder Sulphite Pulp, softsized and machine-finished. It is used primarily for printing, newspaper and secondarily for cheap magazine books, catalogues, and tablet and for posters. That grade of paper which is customarily used by newspapers in the United States in printing their ordinary editions is known as 'Standard Newsprint Paper' and is distinguished for Tariff purposes from other grades of newsprint paper. The security of the Treasury defines as follows:—

Stock.—Not less than 70 per cent. of the total fibre shall be ground wood the remainder shall be unbleached sulphite. Other grades newsprint paper differ from standard grade in weight, dimensions, surface finish, loading or filler, and degree of sizing."

2. "We also refer page 60 of the Tariff Board of 1927 where quotation was given about the loading in newsprint from a well-known book 'Wood Pulp and its Application'. The definition runs thus: a modern newspaper contains about 70 per cent. of Mechanical Wood Pulp with 30 per cent. of Chemical Pulp. In addition to the fibrous constituents the paper will also contain about 8-10 per cent. of China Clay and a small proportion of rosin size."

From the above two remarks the Board will find that the definition of standard newspaper is not applicable to general newsprinting in a class. This Board will also find that the variation in loading has been mentioned in both the opinions. In case of illustrated newspaper the loading is as great as 20 per cent. We are exhibiting here few copies of different newspapers and if tested the Board will ascertain that the loading in all the cases will exceed 15 per cent. (Exhibit D*).

In a country like United States of America which is in the forefront of the civilization, *standardisation* of anything may be possible. United States of America in spite of having her 40 Home Mills to manufacture only newsprint paper—the big requirements of newspapers necessitated to standardise the size and weight of the paper for the use of the newspapers to maintain uninterrupted supply while in India there is no mill for producing newspapers and demand is not so big to warrant standardisation of newspaper.

We are informed that in order to extend the scope of the Tariff the Indian Paper Mills have come into agreement with big newspapers to support each other, but we have been given to understand from the Additional Secretary to the Government of India as per his letter No. 202-T. (33), dated the 5th December, 1932, that the scope will no further be extended.

We are submitting this information at our disposal at the time of sending this representation and shall be pleased to give you further information by oral evidence if the Board deem it necessary.

Lastly, we are thankful to the Government of India for their kindly inviting our views and we have stated herein at length in the above paragraph which we hope, will not fail to receive your board's due consideration.

* Not printed

(True copy.)

Enclosure A.

19th July, 1932.

To

The Secretary to the Government of India,
Department of Commerce.

SUBJECT.—*Classification of paper for the purpose of the tariff.*
Sir,

In continuation of this Association letter dated the 7th July, 1932, I have the honour to say that the members of my Association have since met and considered your letter No. 202-T. (33), dated the 2nd June, 1932, on the above subject, and I am directed to reply thereto as follows:—

2. My Association is in entire agreement with the Government on the desirability of the removal of all difficulties, actual or anticipated, in the administration of the protective tariff so that on the one hand the specific purpose of the protection is not frustrated, and on the other, undue interference with the paper trade is rendered impossible, for the burden that the consumer will otherwise be ultimately called upon to bear may very likely cause certain papers which are not, and cannot for years to come, be manufactured in India, to fall into disfavour and had to the inevitable contraction in imports and consequent loss of revenue to Government.

3. The proposals of the Government contained in the letter, under reply, to secure the smooth working of the tariff, amount to a reversal of the existing entries in the tariff by subjecting all papers to the protective duty, specifying at the same time a number of papers and paper articles which are to enjoy exemption from the said duty. My Association regret it cannot agree to the proposed fundamental change in classification.

4. In the proposed classification the scope of the protective tariff has been made unduly wide and the nature unaccountably sweeping, conditions not contemplated in the recommendations of the Tariff Board nor intended by the legislature. It is calculated to be in effect something like the application of the guillotine to all and then letting those who can to extricate themselves—a state of things than which nothing can be further from the principle underlying protective legislation. Designed to minimise completions the proposed classification will, my association is constrained to observe,—tend to increase the same. Assessment on the proposed classification is an indirect method in which the risk of faulty assessment is much more than what it is under the existing system.

5. To guard against injustice to the paper trade in general and to those industries in particular, as for example the cigarette, match and stationery industries, in which paper forms one of the raw materials, the list of exemptions has, of necessity exhaustive and drawn up with utmost care and circumspection. Such list is bound to be a very long one, for the list already prepared by Government is far from complete and may off hand be added to by about two dozen names, viz.:—

- | | |
|---|---|
| 1. Tracing Paper.
2. Match Paper.
3. Waxed Paper.
4. Filter Paper.
5. Gummed Paper.
6. Felt Paper.
7. Copying Paper.
8. Grease Proof Paper.
9. Metallic Paper.
10. Waterproof Paper.
11. Cigarette Paper. | 12. Insulating Paper.
13. Stencil Paper.
14. Ferro Prussiate Paper.
15. Crepe Paper.
16. Oil Paper.
17. Corrugated Straw Board.
18. Drawing Paper.
19. Bag Paper.
20. Matrix Board.
21. Corrugated Grease Proof.
22. Leatherette Paper. |
|---|---|

The soundness of a rule may very well be questioned which has a very long list of exemptions appended to it.

6. Protection was granted to papers of Indian manufacture at the instance of the manufacturers themselves. The latter are therefore, under an obligation to describe precisely those papers which they make in quantities large enough to merit consideration as requiring protection against competition from imported articles so that the relief afforded to them may not in operation constitute a handicap to others and does not in any way inconvenience trade in imported papers not in competition with the manufacturers of their mills. In justice and fairness to all concerned the onus of proving which papers should enjoy protection should lie with the Indian mills, and there appears to be no justification whatsoever for shifting the same to other interests in the paper business or to the Government.

7. My Association holds the view that a more equitable arrangement, one that would do injustice to no interest, and at the same time minimise complications, is to have, instead of a long list of papers exempted from the protective tariff, a similar list, since length is no question, of papers which are to be assessed to the protective duty. It is better to have a list of positive than of negative things, and such a list will enable all concerned to understand where they stand in regard to their requirements. The list will have to be drawn up with the greatest care after consultation of all interests, and I am to emphasise that my Association believe that the care so bestowed is amply justified by the importance of the problem awaiting solution.

8. Should the proposal made in the previous paragraph fail to commend itself to Government an alternative proposal that my Association has to make is that with a view to make the list of exemptions from the protective duty as exhaustive as possible suggestion may be invited, if not already done, from the various trades and industries connected with paper such for example as the manufacturers of match, cigarette box makers, stationery, etc.

9. My Association has to make the following observatives regarding the items mentioned in paragraph 6 of your letter:—

Machine Glazed Pressings.—The price of this paper is about one anna per lb.; levying protective duty the Government will only drive away the trade out of this country as purposes which used to be served by this paper will be served by papers such as Envelope Papers, Poster Papers, etc., which are non-protected. Furthermore, this paper is, and can not be produced in this country and doesn't, if any, come into competition with the local mills papers. As such it should come under the Revenue and not protective duty.

Cartridge Paper.—The chief use of this paper is in making Drawing Books and Envelopes so it does not come either under the heading either of printing or writing. Moreover, if protective duty be imposed on this paper it will encourage in this country importations of Drawing Books and Envelopes which are subject to Revenue Duty instead of being made here which everyone so desires.

Unglazed Coloured Thin Paper.—This paper can not be made in India and doesn't compete with any of the local mills products. This is mostly used for decorating and wrapping purposes so should come under Revenue Duty.

Duplicator Paper.—It is class by itself and neither comes under printing or writing paper and so it should not come under protective Tariff.

Envelope Papers of the kind that reasonable wrapping paper rather than writing paper. The members of my Association can not make out what is meant by the above so the Association refrain from passing any opinion on it for the time being. If Government will explain what it means by the above the member will be glad to have an opportunity of considering them.

Cover Paper.—The best solution my Association thinks would be to levy Revenue Duty only on papers containing more than 70 per cent. Mechanical Pulp but at the same time specifying protective tariff on those which contain less than 70 per cent. of Mechanical Pulp, as these may come in competition with the papers made by the local mills.

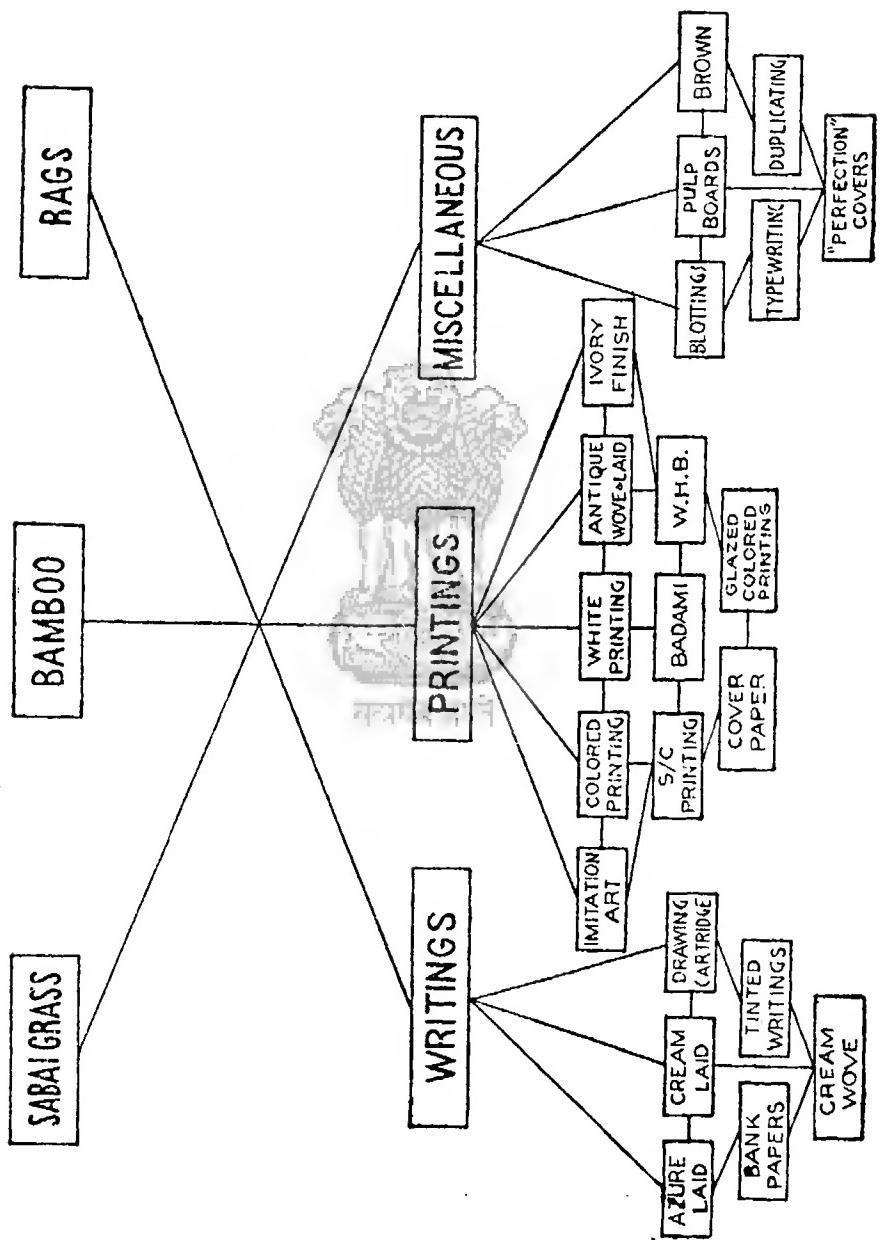
10. Finally my Association ventures to hope that an opportunity will be granted to those who, like this Association, are vitally interested in the matter, to express their opinion on the draft bill before the same is placed on the legislative anvil. I have also to add that the members of my Association will avail themselves of an opportunity to meet the representatives of Government and all other interests concerned in the paper business including those of the Indian mills to help in finding a solution acceptable to all.



Enclosure B.

THE BENGAL PAPER MILL, RANEEGUNGE, BENGAL.

FROM INDIA'S NATURAL RESOURCES TO INDIA'S MILLIONS.



(2) Letter dated the 8th July, 1935, from the Calcutta Paper Traders' Association, Calcutta.

With reference to your letter No. 419, dated the 24th June, 1935, addressed to this Association we beg to submit herewith six copies of our replies to the questionnaire drawn up by the Board in connection with enquiry into the classification of paper for tariff purpose.

Enclosure.

1. (a) Makers, dealers and users of Paper distinguish the Printing Paper from any other kinds of paper by the knowledge gained by experience.

(i) *By Sight and Feel.*—The Printing Papers are generally opaque with a surface suiting different kinds of printing, with clear look through, not too hard-sized. In case Antique Paper, they may be Wove or Laid but in all other cases they are Wove.

Writing papers must be hard-sized either Tub-sized in case of superior grade or Engine-sized in case of common writings. Owing to special "beating" they will give good rattle and will be good finish to allow smooth writings. In case of Typewriting and Ledger Papers the rigidity of the paper will be of such standard, that they will stand erasing.

(b) *By Sizes.*—Writing papers differ from those of the Printing papers although their names are same, e.g.:—

Name of the Sizes.	Sizes of Printing Papers.	Sizes of the Writing Papers.
Demy . . .	17½" × 22½" or 18" × 22"	15½" × 20"
D. F. Cap . . .	17" × 27"	16½" × 26½"
Royal . . .	20" × 26" or 20" × 27"	19" × 24"
S. Royal . . .	22" × 29"	19" × 27"
Medium . . .	18" × 23"	17½" × 22"
D. Crown . . .	20" × 30"	No such size.

(c) *Principal Classes of papers, which serve more than one paper are:—*

- (A) Absorbent—Blotting, Enamelled Blotting, Inter-leaving Blotting, Flong for Stereotyping, Filter Paper, Duplicating.
- (B) Printings.
- (C) Writings.
- (D) Wrappings.
- (E) Covers.
- (F) Metallic and Fancy Papers.
- (G) Boards and Card Boards.
- (H) Tissues.

All these classes are used for purposes other than those for primary uses, on the other hand a particular kind of printing paper may not be suitable for the other classes of Printings.

All sorts of writing papers are used for commercial Job-printing, even the "hard-sized" papers best of its classes are used for printing of mercantile forms. No question of ordinary Writing papers, which are elaborately used for issuing Prospectus and Article and Memorandums of companies. Indian-made white printings are both a writing and printing paper by actual use.

A Feather-weight Antique paper can not be used in producing half-tone blocks or an Unglazed News Printings for the same purpose.

Blotting Papers are printed for advertisement.

M. G. Poster—a Litho Printing also—is used in Envelope and Bag makings.

Good Esparto Printing meant for Litho is found to be used as writings.

Thin Coloured News are used for Wrapping fruits and other articles and also for decoration.

White Thin News are used as Cigarette Papers in Bengal's Hilly Districts besides printing, decoration and wrapping.

Tissue Papers are sometimes printed.

Gummed tapes produced from Kraft Paper or Sulphite Paper are printed for advertisement.

Drappers' and Grocers' Bags and Wrappers produced from Kraft and Sulphite are printed.

Cover Papers are used in photo mounting besides book wrappers.

Card Boards—in printing different mercantile forms besides boxes.

Thick Boards for Ticket Printing besides making boxes and picture mounting.

Metallic Papers in Camio emboss Printing besides decoration.

2. (a) *Definition of printing paper.*—A large class of Papers which are usually made with fair surface to take different kinds of printing, are not too hard-sized and are loaded with varied percentage of loading to produce a suitable printing surface. The "furnish" of these qualities is the mixture of Rags, Esparto, Grass, Chemical Wood, Bamboo, Mechanical Wood Pulp or Waste Papers, etc. They may be White, Toned or Coloured, made in either on slow Fourdrinier Machine or on fast News Machine or in case of M. G. Papers on Yankee Machine or Single Cylindered Machine. Below a list of Printing Papers is given to show the principal classes used in India.

List of Printing Papers.

- (a) Coated (one side Chromo or both sides Coated).
- (b) Antique (Laid or Wove).
- (c) M. F. Printings.
- (d) S. C. Printing.
- (e) Bible Printing.
- (f) Off-set Printing.
- (g) Esparto Litho Printing (non-Stretchable).
- (h) M. G. Poster.
- (i) S. C. and M. F. Woodfree Coloured Printing.
- (j) News Print or Mechanical Printings—
 - (i) S. C. News and M. F. or Unglazed (Wove or Laid) News.
 - (ii) News Middles (Coloured and White).
 - (iii) Mechanical Glazed or Unglazed Coloured.
 - (iv) Thin News (White or Coloured).
- (b) *Different kinds of printing works undertaken in India—*
 - (1) Letter-press Printing (Printing from raised face), printing with Type and Blocks in one or Multi-Colours.
 - (2) Lithographic (surface printing)—
 - (a) Printing from stone surface, zinc or any other metallic surface.
 - (b) Off-set Process (transfer on Rubber Blanket from metallic or stone surface and then printing from that Rubber Blanket). Off-set are of two classes—
 - (i) Hand Off-set.
 - (ii) Photo Off-set.

- (3) Copper Plate Method of Printing (from the engraved or sunk surface)—
 - (a) Copper or Steel Plate Printing.
 - (b) Mono or Multi-Colour Rotary Intaglio Photogravures Printing.
- (4) Embossed Printing—
 - (a) Camiographic Printing.
 - (b) Plain Embossing.
 - (c) Coloured Embossing.

All the above printing processes require different grades of Printing Inks. For printing on ordinary letter presses it requires letter-press ink. For half-tone blocks-process inks, for "hard-sized" writing papers quick drying ink, for ordinary Litho Printings—stiff copper plate, intaglio and embossed printing, different kinds of printing inks are used.

There are two other classes of Chemical Printing:—

- (a) Photographic Printing.
- (b) Printing on Ferro prussiate.
- (c) Varieties of paper generally used—

- (1) For Common Letter-Press Printing.—All classes of Printing and Writing Papers, Wrapping Papers, Blotting Papers, Flint, Covers, Boards are used.
For fine half-tone blocks in letter-press Printing.—S. C. Imitation Art, one side coated Chromo Art and both sides coated Arts are used.
- (2) Lithography.—Non-stretchable Litho Paper with good surface, Poster Paper, Chromo Paper, Flint, and for Off-set Antique Finish especially sized Off-set Paper are used.
- (3) Intaglio Printing.—Printing Papers of all varieties may be used.
For Copper Plate Printing.—Specially Writing Papers of superior grade and good Ivory Cards are used.
- (4) Embossed Printing.—Metallic Paper, good writings and M. G. Wrapping Papers are used.

Varieties used for more than one printing purpose—

Name of Paper.	Letter P.	Litho.	Intaglio.	Embossed.
(a) Coated Paper	.	*	*	*
(b) Antique	.	*	†	*
(c) M. F. Printing	.	*	*	†
(d) S. C. Printing	.	*	*	†
(e) Bible Printing	.	*	†	†
(f) Off-set Printing	.	†	*	†
(g) Esparto Printing	.	*	*	*
(h) M. G. Poster	.	*	*	*
(i) S. C. & M. F. Coloured	*	*	*	†
(j) (1) Ung. S. C. & M. F. News	.	*	*	†
(2) News Middles	.	*	*	†
(3) Mechanical Gl. News	*	*	*	†
(4) Thin News	.	*	*	†

In this questionnaire the word used "those varieties". We have meant only the printings and so we have dealt only with printing papers, leaving aside writing and other sorts; if the Board really mean, by using the words

* Used.

† Not used.

"those varieties" all varieties of paper then, that may be ascertained from the answer of second part of questionnaire 2 in previous page.

3. (a) *Definition of Newsprint.*—Newsprint is a kind of cheap printing paper made largely of Mechanical Pulp either Coloured or White Unglazed, M. F. or S. C. fairly loaded (in case of S. C. nearly 30 per cent. loaded) produced in very fast-running Fourdrinier Machine, used for various printing purposes where cheapness is a greater factor than the quality.

This quality of paper is of ephemeral nature and liable to discolour and decay by slight exposure in light.

(b) *Varieties of newsprints in use in India.*—(This may be termed as News or Mechanical Printings)—

- (i) *Unglazed M. F. & S. C. News Printing.*—For Newspaper, cheap Religious and Educational Books, cheap Novels, Catalogues, Hand Bills, etc. This paper is now imported in 70 per cent. and up Mechanical Pulp.
- (ii) *News Middles Coloured and White* contains 70 per cent. or more Mechanical Pulp used for Printing Bus Tickets.
- (iii) *Coloured Mechanical (Glazed and Unglazed).*—For Hand Bill, Placards, inset in magazines, catalogues Scribbling Pads, etc., imported in 70 per cent. and up Mechanical Pulp.
- (iv) *Thin News (White and Coloured).*—For Cigarette Papers for decorative purpose, fruit wrappers and box covers. This kind of papers contain less than 70 per cent. of Mechanical Pulp in proportion to greater percentage of Sulphite Pulp according to the thin news of the paper just to allow the pulps to form a paper sheet.
- (v) *Mechanical Art (one side or both sides coated).*—Body paper contains 70 per cent. or more Mechanical Pulp used for printing cheap picture.

(c) *Use of Newsprint in India.*—It is used for other purposes than Newsprinting not only in India but throughout the world.

4. Certain classes of Sulphite Printing, Sulphite Creamlaid, Sulphite Ledger and Bank Papers and the like, which are to a certain extent used against the indigenous productions of the Indian mills. This is mostly due to better bulk, better finish and better bleach, better consistency in different making of the imported papers. So far as Calcutta Traders are concerned, in spite of the superiority of the imported papers, they always try to push the local mills' paper as they look upon them as Swadeshi Papers and also being situated close to the mills, they expect quicker delivery of their requirements from the local mills, than the foreign mills situated miles and miles away from them. For these reasons unless otherwise forced by the circumstances the Calcutta Traders never go in for importation of those papers which they can procure from local mills. The import of those classes of papers which clash with products of local manufacturers is very little in Calcutta; and as a matter of fact the Indian mills here do not feel any foreign competition, so they have for a long time been able to maintain a higher price level than other Indian Importing Centres, may, than the interior markets of United Provinces and the Punjab. Those papers which are assumed to compete with the local mills' products are protected and the protection they are enjoying now are more than what they sought for. Newsprinting or papers containing more than 70 per cent. of Mechanical Pulp do not compete with the local mills and this fact the mills have admitted themselves.

5. Not that we know of. Rather the unusual delays in delivering the goods show that the local mills are not short of but full up with orders. They are in most prosperous condition which will be evident from the facts, that their share values have scared many times their original prices, and payment of dividends unimaginable in the paper trade after meeting all sorts of lavish expenditures for management.

6. (a) We have heard that Spence and Krauss method has been adopted by the Customs. We are not paper chemists, but judging from the methods about taking efficient weight ratio which varies in different classes of mechanical pulp itself and the question of proper training of the chemists by the actual test with paper samples of known percentage of different pulps; also the question of light (natural or artificial) for ascertaining the correct result of microscope and as well as from the actual result of test by the Calcutta Customs; we are of opinion that to obtain a better result it needs better training and better arrangements than what exist now. A copy of the Spence and Krauss method is annexed herewith for your perusal. We may mention here that under import duty No. B/E No. D. I. 2662, dated the 14th May, 1935, a consignment containing not less than 70 per cent. of mechanical pulp was declared similarly on the strength of the declaration by the suppliers. But on test by the Calcutta Customs it was found out to contain 59.2 per cent. of mechanical pulp. Afterwards on re-test by the Government Chemist at Lahore through Customs, that was found out to correspond as declared by the importers, viz., not less than 70 per cent. It may be also noted that the goods of previous shipment manufactured in the same making along with the consignment in question were tested by the Customs and passed as then declared, viz., containing not less than 70 per cent.

(b) So long as the method now adopted does not come to perfection, we suggest that the marginal difference of test result should be so extended as to do justice to the importers.

7. (a) (i) *Printings*—

(a) White Printing.

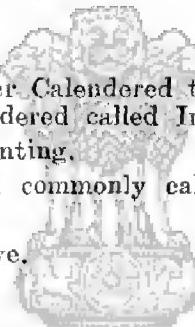
(b) White Printing Super Calendered termed Ivory Finish Paper and thick Super Calendered called Imitation Art.

(c) Glazed Coloured Printing.

(d) White Half-Bleached commonly called Superior Badami.

(e) Badami.

(f) Antique Laid or Wove.



Writings—

(a) E. S. Azure Laid.

(b) Cream Laid.

(c) Banks.

(d) Tinted Wove and Laid Writings.

Miscellaneous—

Blottings.

Duplicating.

Covers.

Nature and Black Browns.

Cartridge Papers.

Postcard Boards.

(ii) Not possible for us to furnish.

(b) Samples are enclosed with respective sizes and substances. For "furnish" and "loading" kindly have these tested by Government Chemist. The samples represent the Bazar quality. For ash contents we are informed that the papers contain 10 to 30 per cent. of ash which information we have gathered from the admissions of the local mills before the Tariff Board and as well as on enquiry from them.

8. (a) We have replied this question in our answer to questionnaire No. 4. This is Sulphite Printing Papers. They are imported from Great Britain, Scandinavia, Finland, Germany, Austria, Latvia, Holland and Belgium and also a small quantity from Japan; and for actual quantity we are not aware of.

(b) Prices—

	British c.i.f.	Scandinavian c.i.f.	Dutch c.i.f.	Duty.	Landing.
	Rs.	Rs.	Rs.	Rs.	Rs.
1931-32	386	333	320	175 6
1932-33	346	320	273	175 6
1933-34	320	273	240	175 6
1934-35	320	273	240	175 6
	—	—	Price c.i.f.	Duty.	Landing.
<i>Current Prices—</i>			Rs.	Rs.	Rs.
(a) Coated Papers—					
(i) One side Mechanical		346	38	6	
(ii) One side Wood-free		400	175	6	
(iii) English Esperto both sides		586	175	6	
(iv) Wood-free Body both		420	175	6	
(v) Mechanical Body both sides		352	38	6	
(b) Antique Feather Weight English		373	175	6	
(c) & (d) M. F. or S. C.—					
English		320	175	6	
Continental		280 & 260	175	6	
(e) Bible Printing Continental		413	175	6	
(f) Off-set Printing		266	175	6	
(g) Esparto Litho		453	175	6	
(h) M. G. Poster		246	83	6	
(i) S. C. & M. F. Coloured Printing			(Not Imported).		
(j) (i) News Printing (M. F. & S. C. in sheets)		133—146	38	6	
(ii) News Middles		160—186	56	6	
(iii) Mechanical coloured Glazed and Unglazed		160—180	56	6	
(iv) White Thin News		206	38	6	
Colour Thin News		226	64	...	

9. We recommend for the Tariff purposes:—

Printing and Writing (excluding mechanical quality in which mechanical pulp contents is not less than 65 per cent. of total fibre, coated papers one or both sides, M. G. Pressing and Poster papers and thin papers in substance of $10\frac{1}{4}$ lbs. Demy and below)—(protective)

As. 1-3 per lb.

All other sorts (excluding Mechanical Printings or Writings Papers in which M. P. contains not less than 65 per cent. of total fibre) including Boards, articles made of paper and papier-mâché—

30 per cent.

Revenue Duty

20 per cent.

Mechanical Printing or Writing: in which Mechanical Wood Pulp is 65 per cent. or more of the fibre contents and thin papers in substances not more than $10\frac{1}{4}$ lbs. Demy

25 per cent.

Enclosure.**PAPER TESTING METHOD BY SPENCE AND KRAUSS.**

Spence and Krauss Method.—A third method of fiber analysis is the fiber-weight-length method proposed by Spence and Krauss. The slide is placed under a microscope of 160 diameters and the length of the various fibers is measured in terms of the diameter of the field seen through the microscope. The total length of each kind of fiber present multiplied by its weight factor gives a set of results that are directly comparable and may be converted into percentage of each kind of fiber present. The weight factors as determined by the originators of the method are: Rag, 1·000; hemlock, 0·870; poplar, 0·454; birch, 0·652; beech, 0·525; maple, 0·365. It remains to be proven whether these factors or any factors are general applicable to fibrous raw materials from different sources. It presents possibilities, however, in the direction of securing increased accuracy.

(d) *Discussion of Manipulation.*—The following suggestions are offered to those just beginning these tests:—

It is absolutely essential to have a satisfactory stain or else the results will be worthless. To test out a stain make up a mixture of about equal parts of bleached soda pulp, bleached sulphite pulp and rag filter paper. Prepare a microscope slide from this mixture and stain with the stain to be tested. If the stain is correct, then the soda pulp should show a dark blue color, due to the thicker and more opaque fiber walls; the sulphite pulp should show a light blue, due to the thin fiber walls; and the rag fibers will show a red or wine-red color. If the blue color is more of a violet, then too much iodine is present and more water or zinc chloride should be added. Zinc chloride produces the blue color, iodine produces the red and the yellow colours and the addition of water serves to weaken the color that predominates.

In some cases where it is necessary to examine all grades of paper, it is advisable to keep several stains on hand. A stain that gives the best color on groundwood and bleached sulphite seldom given a correct color on mixtures of rag, bleached sulphite and soda pulps. In such a case, make up one stain so that it will give a bright lemon yellow on a known sample of groundwood pulp and a slightly greenish blue on unbleached sulphite. For the mixture of rag, bleached sulphite and soda pulp, so adjust a second stain that the rag shows as a clear wine-red, the sulphite as a blue, and the soda fibers as a dark blue. In testing out a stain always have on hand authentic samples of pulp so these mixtures may be made up.

To check estimates of fiber analysis, slides of fibers in known proportions are made. Pure stock is beaten in a small beater and made into hand sheets. Sheets of the various pure fibers are kept under the same atmospheric conditions. To make up a field of known composition take weights of the pure fiber sheets and make up a total of at least 5 grams in proportions to give the percentage desired. Disintegrate and mix thoroughly by shaking with shot in a bottle or by the action of a small disintegrator. Sample and make up the slide as for any disintegrated paper sample.

The estimation of the fiber content is based on the relative proportion of the kind of fibers contained therein, expressed on the percentage basis, considering the total fiber content as 100 per cent. In making a fiber estimation no account is taken of the percentage of clay, alum, size, etc., that may be contained in the paper.

For best results for microscopic work a clear north light is desirable and is to be preferred. However, where there is a large amount of routine testing that must be done, it is more advisable to have a more constant source of light. There are various types of lamps available but good results can be obtained with a Mazda nitrogen-filled lamp of 150 watts. It is necessary, however, to use a blue "daylight" filter in that case. It is

to be noted that the color of the stained fibers on the slide will be somewhat different for the two kinds of illumination.

A set of colored plates has been prepared by the Bureau of Standards of the Department of Commerce, illustrating eight paper fiber compositions as seen under the microscope. They are intended to serve as reference standards for use in the identification of paper fibers and in the estimation of the fiber composition of the paper. These plates are published in Technologic Paper No. 250 of the Bureau, entitled "Pulp and Paper Fiber Composition Standards". It is frequently desirable to make photomicrographs of fibers examined as these serve as a permanent record. For information on equipment and the use of it for this purpose it is suggested that analysts consult the Bureau of Standards Technologic Paper No. 217, the Photomicrography of Paper Fibers.

(e) *Special Stains*.—In addition to the stains used for determination of fiber composition as given in the official method, the following stains are used to detect presence of groundwood fiber, being applied directly to the paper under examination:—

Phloroglucinol.—Dissolve 5 grams of phloroglucinol in a mixture of 125 cc. of distilled water and 125 cc. of concentrated hydrochloric acid. The solution should be kept in the dark as much as possible as it is prone to lose its staining property on exposure to light. This solution produces a magenta or wine-red color on mechanical pulp. The color may be easily noted by applying some of the stain to a piece of newsprint paper. There is approximately 80 per cent. of mechanical pulp in newspaper so that a deep magenta color is developed. The depth of color is an indication of the amount of mechanical pulp present. A very light shade of color, however, does not necessarily prove the presence of mechanical pulp as partly cooked jute, partly cooked unbleached sulphite pulp, and some other fibers are also slightly colored.

An additional formula is as follows:—

Phloroglucine	2 grams.
Alcohol (95 per cent.)	100 cc.
Concentrated HCl	50 cc.

Aniline Sulphate.—Dissolve 5 grams of aniline sulphate in 50 cc. of distilled water and acidulate with one drop of concentrated sulphuric acid. This stain produces a yellow color on papers containing a large percentage of mechanical pulp. This stain is not quite so sensitive to mechanical pulp as phloroglucinol, but it is easier to obtain and prepare.

Para-nitroaniline.—Saturated solution in concentrated hydrochloric acid. This stain produces an orange yellow color in the presence of mechanical pulp and other lignified fibers.

(3) *Letter dated the 25th July, 1935, from the Calcutta Paper Traders' Association, Calcutta.*

Re CLASSIFICATION OF PAPER.

On the 8th July, 1935, this Association submitted its replies to the questionnaires to the Board and since it had the opportunity of studying the statement submitted by the Indian Paper Makers' Association, I have been directed to submit a counterstatement against that one.

Along with this, I beg to enclose herewith 5 spare copies besides the original and a sample book of Writing papers produced by one of the members of the Indian Paper Makers' Association for your kind perusal.

Enclosure.

A Counter Statement by the Calcutta Paper Traders' Association against the Statement made by the Indian Paper Makers' Association in reply to the Questionnaire by the Tariff Board.

In replying the question (I) the Indian Paper Makers' Association, found it difficult as to how in India, Printing Paper is distinguished from that of Writing and Wrapping. They are in the trade for a long time, and they themselves should know how to distinguish paper when they are manufacturing principally Printing Papers. They by selling certain paper make their buyers to understand, what class of paper they are supplying—a Writing, Printing or other. They should explain to the Board how they are differentiating a class from the other. But unfortunately no answer has been given in that point.

It may be possible that the Indian Paper Makers have not yet acquired sufficient knowledge as to how to distinguish a Printing Paper from other papers. One will find a Blotting paper within a paper sample book Titled as Writing papers produced by a Paper Mill here.

While stating the qualities of a Printing Paper, they have made a clear statement once by saying that Printing Paper should *invariably* be undersized, but in next paragraph they have written for Lithographic works hardsized Printing is required. Litho is a very big section of Printing trade and there is no room for undersized paper, for printing in this method. Watering with water-duct on the plates and stones are necessary for this process of Printing. The undersized paper having tendency for absorbing water cannot at all stand on Lithography. So it is in the case of letterpress by a Handpress, where in most cases paper is moistened by applying water before printing. Most of the Wrapping papers are hardsized. The Greaseproof is not only impervious to water and Ink but also to oil. And therefore, the Board will easily understand that it is not the trade custom that unless a paper be undersized that will not be printing paper, and if that is hardsized will be a Writing even that being a Wrapping.

While in Printing paper they have dealt about loading. They have stated that Printing paper contains a *slightly* higher percentage of loading, but it is not so. In ordinary Printing paper the loading is almost 8 to 10 per cent. but in Super Calendered Printings the loading is as high as 30 per cent., but in writing paper invariably it is within 5 per cent.

Do the Printers lack technical knowledge of printing trade?—Even a very small Printer, having a small handpress, knows how to print different kinds of Paper on his anti-quated printing equipment. And the average Printers in India direct the Paper Makers of the World, what particular characteristic should possess a paper meant for their special use, and no doubt the Indian Paper Makers also either directly or through the Paper dealers get similar directions as to finish and sizing, etc., from them. So we cannot take that the Printers do not possess the Technicalities of Printing Trade to be correct.

As regards average Paper dealers, we must say, although they do not claim as printing experts but so far Paper Trade is concerned they are to carry large stock of imported papers along with the Indian made papers. The imported qualities are drawn after studying the samples from the whole world which no doubt give them an opportunity of learning more about paper than an average Indian Paper Maker, who probably does not know more than the four or five limited qualities he manufactures.

Cartridge Paper.—In page two under the head " White Cartridge Paper " they have mentioned that the Cartridge being unprotected is used as Antiquo Wove Printing Paper. This statement so far our association knows is absolutely baseless, because although both the papers have rough surface, yet the characteristic of these two classes of paper is directly opposite. Cartridge Paper is of strong structure with long fibres and hardsized

and whereas the Antique Paper is moderately sized, of short-fibre and with a bit spongy surface. Therefore, the purpose of Antique Paper cannot be fulfilled by the supply of Cartridge Paper. So far our information goes that Cartridges have never been imported to replace Antique paper.

We accept the Mills' statement of Pucca Cartridge to be not less than Demy 24 lbs. in substance. And we have no objection if Board recommends that substance below Demy 23 lbs. 500 sheets to be subject to Protective Duty.

Glazed Coloured Page 2.—This paper is entering in this country with Revenue Duty only, as it contains not less than 70 per cent. M. P. There are mostly imported in substance 45/46 grams, and their present cost is £13.5 nett c.i.f.c.i. not £15 as given by the Mills. This Paper really do not clash with Indian Manufacture. This quality is fairly loaded (say 15 to 20 per cent.).

M. G. Poster Page 2.—What they have written in this head about the uses are quite correct. The three Paper Mills of Calcutta sent a letter to the Secretary, Government of India, Department of Commerce, under date 8th July, 1932, where they agreed that this quality was correctly classified as subject to Revenue Duty only and in the present reply to questionnaire 8 (a), the name of this quality is not appearing as this being not competitive to them. But still in answer to questionnaire No. 9 they have forgotten to include this important item from the list of non-protective items.

In reply 2.—The definition for Printing Paper given by the Indian Paper Makers does not apply to "Printing" paper in general. This has been pointed out in the first page of this statement. But they have tried in reply (2) to improve their statement made in reply (1) by omitting the word "Slightly" in connection to clay contents. Here they have not stated that a Paper below or over certain substances will not be termed as Printing Paper. Newsprint no doubt is a class of Printing Paper and while giving definition of Newsprint in reply 3 they have tried to introduce a new definition of Printing by restricting the substance between Demy 14 and 17 lbs. We do not know what new name will be coined by the Indian Paper Mills to define a printing paper (news) for the substances below 14 lbs. Demy and above 17 lbs.

Answer 3.—In this answer they have almost copied the United States of America definition of "Standard Newsprint". About the Standard News we have dealt exhaustively in our representation of 27th June, 1935, which were sent to the Board at Bombay.

According to United States of America classification the News is consisting of:—

50—Hanging (a kind of heavy news is used for making wall Paper).
51—Newsprint.

510—Catalogue (a kind of light weight Newsprint, used principally for directories and mail order catalogues).

511—Coloured Posters (a kind of Newsprint, made in various colours and used principally for hand distribution of small circulars for advertisement purpose).

512—Halftone News (a kind of Newsprint possessing a high finish produced by addition of a filter).

513—Novel News (a kind of heavy weight rough finish Newsprint used for printing cheap novels).

514—Standard News (a kind of machine finish Newsprint chiefly used for printing of newspapers usually a weight approximately 32 lbs., 500 sheets, 24"×36", but sometime several pounds heavier).

(Full particular from Indian Paper Makers' answer.)

515—Tablet News (a kind of Newsprint usually of rough surface suitable for pencil writing used in cheap tablet).

We hope from the above information the Board will be convinced that "Standard News" is only one of many grades of Newsprint.

The Indian Paper Makers' Association by suggesting definition of Standard news for Newsprint in general tried to bring almost all classes of the Newsprint within the Tariff.

By suggesting filtration in 4 different method, we fear no News will be able to enter this country and the stoppage will create a disaster in the country.

The first filtration is by restricting the substances between 14 and 17 lbs. Demy 500 sheets.

The second—by possible error in estimating the Mechanical Pulp contents.

The third—by decree of sizing test.

The fourth—by ash contents. It is a fact that the ash contents in Super Calendered Papers is very high. If the Indian Paper Makers would furnish the Board with the ash contents for the 5th item (S.C. Printing and Imitation Art) of their statement B, it would be noticed by the Board that loading is not less than 25 per cent. The Mechanical Pulps surely require more loading than ordinary fine Sulphite or Soda Pulp to fill in and become Super Calendered. If the ash content be limited by 5 per cent, then by leaving aside the weight of the pulp itself and deducting the natural moisture in the Clay not only the Super Calendered News will be found protected by Tariff but almost all other grades of news will be under Protective Duty.

*Answer 3.—*It is an accepted fact throughout the whole world that Newsprint is used for other purposes than printing Newspaper. Bible, Koran, Gita, Ramayana, Mahabharat, Novels, Trade Catalogues, Educational Books for Primary School Children, are all printed on this class of paper. If that paper is protected that will affect Nations' Religion, Education and Trade. Even by adding 125 per cent. of Protective Duty on a paper costing £10 per ton, i.e., below one anna a lb. c.i.f. the price will remain lower than that of the Local Mills' White Printing Paper.

Many of the Newspapers in Up-country are produced by Lithopress and they require hardsized Newsprint. If Newsprint is imported, hardsized; and a small portion of that is used for writing by the poor students whose parents cannot afford purchasing costly Indian papers, we do not find any reason for grumbling by the Indian Paper Mills, because that paper is really of a lower grade containing not less than 70 per cent. Mechanical Wood Pulp.

*Answer 4.—*In answer 4 by the Indian Paper Makers, we notice the statement about importation of printed forms by British Publishers: If the supply of cheap paper is stopped the Import of Books or printed book forms would be encouraged this was foretold by this association in the first enquiry in the year 1925 (refer page 162, Volume II, of Paper Enquiry, 1925), and now we find the same is being fulfilled. If the paper is unnecessarily taxed, and if the poor publishers are compelled to import ready made books or printed forms, they will seek help from financiers. These financiers will find a new avenue of their income rather than being satisfied with small Bank interest, and low return in other investment. The publishers also will find relief from unnecessary troubles of cumbersome testing method and others by importation of paper. This class of paper also is not a matter of interest to the mills which are equipped for the manufacture principally of white papers. In fact it may be said that they would be glad if they did not have to make wrapping paper. The reason they do so is one of compulsion. In all mills there is a certain amount of waste and as there is no other outlet in India for disposal of waste they are compelled to make it into the coarser kinds of paper such as wrappings.

Answer 4—Packing Paper.—The tonnage manufactured by them form major quantity for their own use as ream and bale wrappers. Besides this

quantity they themselves import various wrapping papers for their own use as ream wrappers.

Blotting Paper.—The tonnage is small and we know for the improved quality what they are now placing in the market are made entirely of imported Chemical Wood Pulp.

Answer 5.—The Mills have complained about the importation of paper for many other purposes under the head of *Newsprint*, but that assumption is only based on the self-created definition of Newsprinting. As regards *Mechanical Art Paper* that being coated paper, we have suggested to keep all sorts of coated papers whether one side or both sides to keep out of protection, as there is no coated paper mill in India. This Mechanical Coated Art Paper is not competing with their quality as being made of cheaper material and for giving better printing result.

Madras and United Provinces Government's Buff Newsprint Paper.—The Tariff was not granted to compete with cheap Mechanical paper, but for development of indigenous industry, protecting from the unfair competition from the Makers abroad. But the high protection encouraged the mills to sell at loss sacrificing a small portion of their high profit in protected Tariff. We must say they have misused the privilege granted to them and there is no proof that they were short of orders.

Answer 6 (a).—All the Paper Mills have their own Chemists with Laboratories specially equiped for paper testing, and as they are interested they should at least know what is Spence and Krauss method, and whether the result of test under that method is accurate, and if not, they should suggest a better method. They have not only failed in suggesting feasible method, rather have suggested to drive the trade into an all round complexity of various methods of testing in all classes of paper including Wrapping and Board.

Answer 7 (b).—They have not furnished with any information about fibre contents loading or ash contents for reasons best known to them.

Answer 8 (a).—Here we agree with the Indian Mills that *M. F. White Printing pure*, *S./C. White Printing pure*, may compete with the Indian Mills, if they are not protected. *M. F. White Printing containing 70 per cent.* or more, and *Glazed Mechanical* are decidedly of a quality of much lower standard, therefore, it is in no way in competition with their make. *Buff Glazed and Badami Paper*—From the Government's specification it is clear that, the requirement was for a quality containing 70 per cent. Mechanical, and, therefore, these are also not competitive. *White Cartridge*—It is not a printing paper. This should not take place in this list so it applies in case of *Duplicator, Pulp Board and Cover Paper, Antique Laid and Wove*. If they are pure paper it may compete if not protected. But we have no information as to any recent Import of pure Sulphite quality save and except Esparto quality of much higher grade. But those Imports are under protective head and *Antique Laid* containing 70 per cent. Mechanical Pulp is not competing, that being too cheap. *Imitation Art*—The English quality which are imported is of much higher grade than the production of Indian Mills. The Import of that quality is under protective head. *Mechanical Art* is not competing as this is also cheap and give better printing result in case of Halftone Printing.

Answer 9.—The Indian Paper Makers' Association's proposal as to the scheme of administration of Tariff is altogether unworkable firstly, because the list of the unprotective papers is not complete. Secondly, because it has suggested, the testing of printing paper four times and also suggested to introduce Chemical test in ordinary Wrapping Paper and Manilla Paper. We give below some of the principal items which the Indian Mills, either omitted in absence of information or for other reasons. Any how this method of particularly mentioning some of the items as protected keeping all other kinds of paper outside, will not be a suitable method, rather will bring serious hardship and loss to the Trade in general. And therefore,

the Board will find it just and most convenient, the scheme proposed by our Association based on the present Tariff schedule.

List of unprotected papers which the Mills have omitted to show in their list:—

Old Newspaper, Article made of Papier-Mâché, M. G. Poster Paper, Cartridge Paper, all other sorts of Tissue Papers excepting coloured (White Tissues, Acidfree Tissue, Insulating Tissue, M. G. White Tissue, M. G. Coloured Tissue, Cap Tissue, Stripped Tissue and Printed Tissue, Carbon Tissue), Thicker and thinner Newsprint than described by their answer 3, Newsprint containing more than 5 per cent. Ash, Hardsized Newsprint, Coloured Middles, Thin Coloured Newsprint, Fancy Box Cover Papers, Dull Surface, Enamelled paper, Gold, Silver, Aluminium and other Metallic paper, Wax paper, M. G. Kraft of nature colour, M. G. Nature Brown, unbleached Sulphite, Bleached Sulphite, Waterproof Kraft, Ochre Glazed Brown, Glazed Brown, Machine Finish Kraft, Machine Finish Nature Brown, all standard qualities of M. G. Manilla paper and Glazed Manilla paper, Cellophan paper, Imitation Greaseproof paper, Enamelled Blotting, Duplex Blotting, Ticket Board, Tag Board, Manilla Board, Art Board, Leather Board, Grey Board, White Wood Pulp Board, Mounting Board, Trunk Board, Ivory Board, Nature Brown Board, Thick Card Boards, Bristol Boards, Building Board, and various other kinds of Boards, Monotype Rolls, Embossing press Wipping rolls, Toilet paper, Tracing paper, Cigarette paper, Filter paper, Cloth-lined paper, Corrugated Board, Designed Kraft, Napkin paper, Lace paper, Glassine paper, Kraft Board, Oil Board for copy press, Chalk Overlay paper, etc.

It will be clear by the Mills' answer to this question that their only object is to enlarge the scope of protection by transferring a large number of non-protected papers under protective duty. It matters not that these papers are not made in India.

(4) Letter dated the 7th August, 1935, from the Calcutta Paper Traders' Association, Calcutta.

In continuation of our letter* of the 6th instant, we beg to suggest a fresh recommendation suitable for Tariff Schedule:—

Item No. 44.—Articles made of paper or papier-mâché, paper and Boards of all sorts but excluding Writing and Printing paper and Straw Board as specified in 44 (1), 44 (2) and 44 (3)—

Duty	30%—20%
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Per lb.

Rs. A. P.

Tariff Value—

Packing and wrapping paper, machine-glazed pressings	0 1 6
Manilla, machine-glazed or unglazed and sulphite envelope	0 1 6
Kraft and Imitation Kraft	0 1 6

Item 44 (1).—Softsized Duplicating paper, Cartridge paper below substances 85 grams per square meter M. G. Pressing above 82 grams per square meter and printing papers,

* Not printed.

Per lb.
Rs. A. P.

excluding Art and Poster paper, all sorts which contain no Mechanical Wood or in which Mechanical Wood Pulp amounts to less than 70 per cent.--

Duty—Protective	0 1 3
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Item 44 (2).—Printing paper all sorts, Cartridge paper below substance 85 grains; M. G. Pressings, above substance 82 grams per square meter in all of these Mechanical Wood Pulp amounts to not less than 70 per cent.; Thin Newsprinting paper in substance 35 grams and below and Straw Board all sorts—

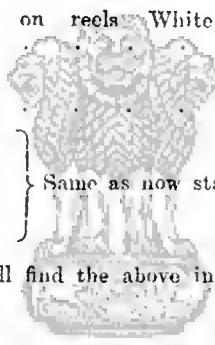
Duty	25%
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Tariff Value--
Per lb.
Rs. A. P.

Newsprint—not on reels White, Grey or Pinkish	0 1 1
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Straw Board	Per ewt. 4 4 0
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Item No. 44 (3)—
Item No. 44 (4)—
Item No. 44 (5)—
Item No. 44 (6)—



नवाग्रह नवान्

We hope the Board will find the above in order.

THE CALCUTTA PAPER TRADERS' ASSOCIATION.

B.—ORAL.

**Evidence of Messrs. R. DUTT, K. GHOSH, A. CHATTERJI,
C. MUKHERJI and RAO recorded at Calcutta on
Wednesday, the 31st July, 1935.**

President.—You, gentlemen, represent the Calcutta Paper Traders' Association?

Mr. Dutt.—Yes.

President.—Mr. Dutt, you are the Secretary of the Association and these gentlemen present here are Members of the Committee?

Mr. Dutt.—Yes.

President.—Does your Association represent paper traders whose offices are outside Calcutta?

Mr. Dutt.—No.

President.—So that Mr. Advani, Mr. Singh, and others are not members of your Association?

Mr. Dutt.—Mr. Advani has got a branch here and that branch is a member of our Association. Mr. Rao is his representative here.

President.—First I would like to go through your replies to our questionnaire. May I take it that the views expressed by individual members in their written representation to us are embodied more or less in your representation as well?

Mr. Dutt.—Yes.

President.—With regard to the distinction that the Board had asked your Association to make between writing and printing paper I find that though you have given various suggestions in this memorandum, the conclusion is similar to the conclusions which have been arrived at by the various other interests, namely that in actual use it is very difficult to distinguish between writing and printing paper and therefore it is not possible to draw a clear line between them.

Mr. Dutt.—That is so.

President.—I suppose people experienced in the trade generally do distinguish by some sort of method—by sight, by feel and so on?

Mr. Dutt.—Yes.

President.—That is only a rough and ready method?

Mr. Dutt.—It is the usual method.

President.—But there are some classes of papers in which the result might be conflicting?

Mr. Dutt.—By sight a paper merchant can pick up what is printing and what is writing. In the trade it is not very difficult, though it may not be possible for the ordinary people.

President.—Will it be possible to adopt this method for the Customs in order to distinguish between printing and writing paper?

Mr. Mukherji.—It is more a matter of opinion.

Mr. Batheja.—Do you mean to say that there is no exact line of demarcation? In view of the very important interests which are at stake whether a particular paper should be protected or not, it is rather important that there should be an exact line of differentiation.

Mr. Dutt.—I do not think there is.

Mr. Ghosh.—It is not possible.

Mr. Batheja.—In the tariff schedule all writing papers are subject to a protective duty; in the case of printing papers those containing 70 per cent. and above mechanical wood pulp are exempt from the protective duty.

Mr. Dutt.—I think from the point of view of cheapness, every cheap mechanical paper is a pucca printing paper and if hard sized may also be used for writing in a poor country like ours. Newsprint is not a pucca writing paper.

Mr. Batheja.—How to differentiate these classes of mechanical writing from the others?

Mr. Dutt.—The demarcating line could be that any paper whether printing or writing containing 70 per cent. and above mechanical pulp be exempted from the tariff.

Mr. Batheja.—We are not in a position to open up the matter again. It has already been decided by the previous Tariff Boards.

President.—We have received a letter from Messrs. Bhola Nath Dutt & Sons referring to the oral evidence we took on the first day but I am not able to understand the point raised in it. Coloured Glazed and Unglazed Newsprint, containing not less than 70 per cent. mechanical wood pulp are assessed at the market value and not at the fixed tariff rate of 1 anna 1 pie per lb. though according to the tariff schedule only printing papers, that are white or grey are being assessed at the tariff value.

Mr. Dutt.—Coloured papers are assessed at the market value.

President.—I am now talking of newsprint. My point was that the paper makers have raised the point about 7,000 tons of paper which are coming in at the revenue rate of duty.

Mr. Dutt.—One item is a non-protected item, 7,775 tons of paper.

President.—At present coming under the unprotected class which is not newsprinting.

Mr. Dutt.—If it is white or grey it is assessed at 1 anna 1 pie; if it is coloured newsprinting containing 70 per cent. or more mechanical it is assessed on the market value. That comprises not only glazed tinted but even coloured thin news costing about £17 per ton.

President.—The point was different. The point raised was that there are two different classes at present under the head of printing, one called newsprinting and the other class is called printing, other sorts, not protected. They refer to the latter category.

Mr. Dutt.—In that "printing not protected" these coloured glazed and unglazed papers are coming.

President.—I am informed that coloured glazed and unglazed news are generally classed as newsprint.

Mr. Dutt.—It is newsprint but in the Customs they show it under different heads.

President.—These papers which according to you are newsprint are at present classed as printing paper other sorts?

Mr. Dutt.—Printing paper not protected.

President.—And that is how this figure of 7,775 tons have been arrived at?

Mr. Dutt.—Yes.

President.—Newsprint coloured is also classed under that head?

Mr. Dutt.—Yes.

Mr. Batheja.—So that it is not necessarily a ground for alarm to the manufacturer; that is your point?

Mr. Dutt.—Yes.

President.—You are aware that there has been a continued correspondence with the Government of India about the various classes of paper which have been found controversial for assessment purposes. We have had discussions about these papers both with the Paper Manufacturers' Association

and the Paper Importers' Association, and I would also like to know your views on the subject with regard to how these individual classes should be assessed for the purpose of the duty. I will take the papers one by one and I would like to know whether you would also be prepared to reconsider some of your previous conclusions which we have seen in your correspondence with Government. Take Poster Paper. The Indian Paper Manufacturers' Association want that paper to be prefixed with the words "M. G."

Mr. Dutt.—We accept it.

President.—The second one is mechanical art paper. The Calcutta Paper Importers' Association have accepted the value of that paper as £27 per ton.

Mr. Dutt.—Yes approximately.

President.—At present you will find that this paper being white is assessed under the tariff value. Tariff value of 1 anna 1 pie per lb. is Rs. 15/- per ton and the imported paper costs Rs. 360 per ton c.i.f. The suggestion is that this paper should pay duty according to the invoice value.

Mr. Dutt.—We have no objection.

Mr. Batheja.—You are suggesting that art paper should come under the general classes of unprotected papers?

Mr. Dutt.—Yes.

President.—We now come to Cover Paper. It has been suggested that all cover papers in any furnish should come under printing.

Mr. Dutt.—We have no objection.

President.—Take Blotting Paper. I understand from your representation that there are three kinds of blotting paper which are at present being imported; namely, absorbent, enamel blotting paper and the interleaving. The actual retail price of the Indian made blotting paper is 4 annas 5 pies per lb. in the Calcutta market.

Mr. Dutt.—That will be less by 3 pies, 4 annas 2 pies.

President.—What are the qualities that are being manufactured by the Indian paper manufacturers?

Mr. Dutt.—Only two classes, one white $17\frac{1}{2} \times 22$ and pink the same size.

President.—Practically ordinary but different colours, pink and white?

Mr. Dutt.—Yes.

President.—It can be easily distinguished for Customs purposes from enamel blotting paper and interleaving blotting paper?

Mr. Dutt.—Yes. Interleaving blotting paper contains 70 per cent. mechanical pulp.

President.—What about the quality and furnish of the blotting papers manufactured in India?

Mr. Dutt.—There is no difference in quality because for good quality they are using imported pulp and therefore they are similar in quality to the imported and is sold at almost the same price. Enamel blotting paper is made up of enamel pasted on the blotting paper.

President.—At present is it true that Continental blotting paper competes with the Indian made?

Mr. Dutt.—They are all cheap classes, and the prices vary from £16 to £20.

President.—What proportion of the total imports represent the Continent?

Mr. Dutt.—I don't know.

President.—You are not dealing largely in ordinary blotting papers?

Mr. Dutt.—No. I am importing one good English quality which is generally used in offices here, besides enamel and interleaving.

President.—What is the price of that?

Mr. Dutt.—4½d. per lb. I think. I will give you the exact price later.

President.—The suggestion has been made that blotting paper should be declared a protected paper though it may not be a printing paper or a writing paper.

Mr. Dutt.—The manufacturers here are producing only one class whereas we are importing several classes.

President.—Suppose the other two classes can be separated from the class which is competing with the Indian blotting paper, then would you have any objection to its being classified under the protected head?

Mr. Ghose.—Our contention is, that if the local mills claim that they should be protected on account of competition, our point is that with the existing revenue duty they are in a position to oust foreign competition as will be evident from the perusal of the list of Government orders, so that they would not be justified in asking for a protective duty.

President.—The question of protecting this paper was discussed by the Tariff Board in 1925 but was rejected on the ground of price. If the present position is the same as before then the Board can do nothing. But if the Board find that the ordinary blotting paper can be distinguished from other blotting papers which are not coming into competition with the indigenous product, then I would like to have your opinion, with regard to the proposal made by the Paper Makers' Association of classing this paper as protected. Would you raise a serious objection to it?

Mr. Ghosh.—I say even without protection they are better off.

President.—I have already stated that if that is so then the point does not arise.

Mr. Batheja.—That point can only be determined by finding out the price of the imported article and the indigenous article which come into competition?

Mr. Ghosh.—So far as quality is concerned and also the price taking these two things together the local mills are better off and get the better of the competition.

Mr. Batheja.—So that protection is superfluous?

Mr. Ghosh.—Yes.

President.—As regard envelopes of the kind that represent writing paper you agree that it should be classed as writing paper?

Mr. Dutt.—Yes.

President.—With regard to the esparto paper I find you have stated in your representation that good esparto is meant for litho and is often used as writing paper. Are there two qualities of esparto paper?

Mr. Dutt.—We are importing for litho purposes though not in large quantities.

President.—What is its content?

Mr. Dutt.—It must be more than 50 per cent. esparto.

President.—Does any esparto paper come as printing paper?

Mr. Dutt.—Yes. What we are getting with creamlaid; that is for writing.

President.—You are importing only very small quantities?

Mr. Dutt.—Yes. Whatever is coming is under the protected head.

President.—There are two kinds of methods for protection of paper; one is printing protection and the other is writing protection.

Mr. Dutt.—In both cases protection is the same.

President.—It can only be same if the printing paper contains less than 70 per cent. mechanical wood pulp. The Paper Importers' Association would like that this paper should be declared non-protected on the ground that it does not compete with the Indian made paper.

Mr. Dutt.—About that we cannot give any opinion because we have not dealt with it exhaustively.

President.—The other paper is M. G. Wrapping Paper. You would agree to its being classed as Wrapping Paper?

Mr. Dutt.—Yes.

President.—The suggestion has been made that the duplicator paper should be assessed in two different ways. If it is hard-sized it should be classed as Writing.

Mr. Dutt.—We accept it.

President.—And the soft-sized as Printing Paper.

Mr. Dutt.—The Mills never mentioned that Duplicator is a Printing Paper. My contention is that it is an absorbent paper. In England the soft-sized Duplicator paper is called absorbent paper. It is neither a Printing Paper nor a Writing Paper.

President.—I think the opinion here is a little different.

Mr. Dutt.—If it is not printed on, how can the Mills say it is a Printing Paper? When they replied to your question, they didn't mention that Duplicator is a Printing Paper.

Mr. Batheja.—They have mentioned that before.

Mr. Dutt.—If Duplicating is taken as printing process, Rubber stamping may be taken as printing process.

President.—The Calcutta Paper Import Association has however agreed to this suggestion. I looked up the memorandum submitted by Messrs. Advani and Company, one of your members, and they have stated that Duplicator Paper should be assessed at the protective rate of duty.

Mr. Dutt.—We have no objection.

President.—I want to know whether any of your members deal with the Badami or buff paper.

Mr. Dutt.—Yes, Badami paper produced by the local mills.

President.—You have no information with regard to the import of Badami or buff paper?

Mr. Ghosh.—The import of that paper is practically *nil* here.

President.—It is confined to the ports of Madras and Bombay?

Mr. Dutt.—We have no information. According to the trade it is a printing paper.

President.—You are probably referring to the circular sent by the Calcutta Paper Traders' Association in which the Bengal Paper Mills have classed it as a Printing Paper.

Mr. Dutt.—Yes.

President.—It is at present assessed as printing paper?

Mr. Dutt.—I think so.

Mr. Batheja.—Does the imported paper compare with the Badami paper as regards furnish and quality? Is that imported paper ever used for writing?

Mr. Dutt.—If it is hard-sized, it may stand writing.

Mr. Batheja.—I mean the buff paper.

Mr. Dutt.—If it is hard-sized paper, it would stand writing, but only we cannot say ordinary newsprinting.

Mr. Batheja.—Are you aware from the experience of the trade that this paper is used for writing purpose—cheap exercise books?

Mr. Dutt.—They are never used as exercise books. They are only used for scribbling purposes and for printing railway and Government forms.

President.—With regard to Cartridge paper, there are at present, I understand, two qualities, one is white Cartridge and the other is Drawing Cartridge. A suggestion has been put forward that the Cartridge paper of substance below $18 \times 22 = 24$ lbs. which is equivalent to 85.2 grammes should be classed as printing paper.

Mr. Dutt.—If the Mills' definition is accepted in that way, the printing paper must be soft-sized and then if that Cartridge paper is not soft-sized but hard-sized, how that would be defined, I do not know.

President.—It may not be hard-sized if it is white printing.

Mr. Dutt.—If it is white printing, it is a different thing.

President.—If it is cartridge it must be hard-sized. The paper makers would like to divide this paper according to the quality by the degree of substance. It has been stated that below 85·2 grammes which is equivalent to $18 \times 22 = 24$ lbs. should be classed as printing.

Mr. Dutt.—So far as our supply from the local mills is concerned, we are buying some thinner cartridge than that, but they bill it as cartridge, and that is never classed as printing paper.

President.—You are probably dealing with brown cartridge.

Mr. Dutt.—It is ordinary wrapping paper. It has nothing to do with that. I am speaking of white cartridge. I have got an envelope factory and I am using a lot of cartridge paper in that which is much thinner than 24 demy. They usually call it Cartridge paper and they stand writing. Usually cartridge paper is hard-sized, but if they now term it as ordinary printing paper, according to them it invariably should be soft-sized.

President.—What do you want to class it as?

Mr. Dutt.—It is a separate class.

President.—That is why there has been a controversy and it was also referred for your opinion in the Commerce Department's letter dated 2nd June, 1932.

Mr. Dutt.—It is neither called writing nor printing paper. If you will kindly refer to the sample book of the mills, Cartridge paper is termed by the local mills as "Other sorts".

President.—It is definitely classed as printing paper by some people.

Mr. Batheja.—Are there any classes of Cartridge paper which are used for printing?

Mr. Dutt.—May be.

Mr. Batheja.—What is the actual fact?

Mr. Dutt.—It is used for Drawing Books.

Mr. Batheja.—The paper manufacturers contend that there are certain qualities of paper which are called white Cartridge and which are utilised for printing purpose and they compete with their paper.

Mr. Dutt.—They say it is used as substitute for antique paper. Antique paper is made of short fibre. That has got a little bit spongy surface, whereas in the Cartridge paper there is long fibre and the texture is very strong. The characteristics in both qualities are altogether opposite. One takes good printing and another cannot take good printing.

Mr. Ghosh.—Hard-sized paper cannot take good printing.

Mr. Batheja.—I am not talking of its capacity. I am talking of its actual use. Is it ordinarily used?

Mr. Dutt.—It is ordinarily used for drawing purposes.

Mr. Batheja.—Why do the Central Board of Revenue divide it into two classes, one suitable for printing and another suitable for drawing?

Mr. Dutt.—To end the controversy.

President.—The other importers like J. N. Singh of Delhi who are not members of your Association have said that the cartridge paper may be classed as printing paper and pay protective duty. The Paper Import Association have also agreed that up to 24 lbs. demy it may be classed as printing paper.

Mr. Dutt.—We have also no other alternative, but to accept that.

President.—You would not raise any objection?

Mr. Dutt.—No.

President.—I will now take up the question of unglazed coloured thin papers. At present according to the Central Board of Revenue's rulings, if it comes below $7\frac{1}{2}$ lbs. demy and all deep blue colour are exempted from protection.

Mr. Dutt.—Deep blue as wrapping and other colours as printing.

President.—A suggestion has been made by your association and various other people that the limit of $7\frac{1}{2}$ lbs. demy is too low, because the Indian Paper Makers' Association do not produce anything below $10\frac{1}{4}$ lbs. demy.

Mr. Dutt.—Below 12 lbs. Demy.

President.—One or two people said below $10\frac{1}{4}$ lbs. demy. The proposal is that this limit might be raised to 10 lbs. or 35.5 grammes.

Mr. Dutt.—We will accept that.

President.—The only other paper which remains to be discussed is M. G. Pressings. At present according to the Central Board of Revenue's ruling, M. G. Pressings is classed under two categories. Those that are suitable as cover paper are classed as printing paper and the others as wrapping paper.

Mr. Dutt.—Yes.

President.—The Indian Paper Import Association for the purpose of relieving uncertainty in the trade would prefer that this paper be classed altogether as printing paper.

Mr. Dutt.—It is an entirely different thing. M. G. is merely used as wrapping. We also accept that.

President.—You accept the recommendation made by the Import Association?

Mr. Dutt.—I do not know what they have recommended.

President.—The Import Association said that the whole should be classed as printing paper.

Mr. Dutt.—Yes, we have no objection to that. As Unglazed Coloured has been exempted up to 10 lbs. Demy, or 35 grammes, I hope that the Board will find it reasonable to extend the same to Unglazed Thin White also.

President.—Was that in your representation?

Mr. Dutt.—Yes.

President.—Let me understand your point of view.

Mr. Dutt.—White Thin News.

President.—Unglazed White Thin News.

Mr. Dutt.—This is in no way clashing with the local product.

President.—Does it come under printing paper?

Mr. Dutt.—Yes.

President.—What is the quality which is being manufactured in India at present, up to what lbs.?

Mr. Dutt.—Up to 12 lbs. Demy.

President.—You would like that it should be exempted?

Mr. Dutt.—As you are exempting Coloured Paper

President.—The Board has not yet made up its mind. I am only trying to understand the trade view and also to ascertain whether there can be an agreement on the controversial issues. I find that there is more or less an agreement with regard to the Unglazed Coloured thin. But the question of Unglazed White Thin has not been raised so far by anybody.

Mr. Dutt.—Only by putting colouring matter it is coloured.

President.—Even in the representations that have been sent to us, I don't think that that point has been put forward.

Mr. Dutt.—In our representation we have raised that point.

President.—What is the mechanical pulp content of white thin news?

Mr. Dutt.—Please see our answer to question 9.

President.—“White thin news”, but you have not mentioned any substance. This is the only reference I find. At present white thin news, I think, is coming under the tariff value, because it is white.

Mr. Dutt.—Yes.

Mr. Batheja.—Is it taxed under 44 (1) or 44 (2)?

Mr. Dutt.—44 (2).

Mr. Batheja.—It is mostly paper containing more than 70 per cent. mechanical pulp. Is that the idea?

Mr. Dutt.—Yes. In the case of very thin newsprint, the sulphite pulp content may be lower than 70 per cent.?

Mr. Batheja.—If it is tested, it will come under the lower duty?

Mr. Dutt.—Yes.

Mr. Batheja.—The major portion of this class comes under 44 (2)?

Mr. Dutt.—Yes.

President.—I find a reference about this on page 7 and also on page 12 where you make your recommendations for tariff schedule. You have claimed exemption for printings white and writings with substance of 10½ lbs. demy and below. Is that the point?

Mr. Dutt.—Yes.

President.—You have also said thin news, white or coloured. Your point is that you want also white thin to be similarly treated on the ground that paper manufacturers are not at present making any quality below 12 lbs. demy.

Mr. Dutt.—Yes.

Mr. Batheja.—If this paper were classed as a revenue duty paying paper, would it, in any way, come in serious competition with the Indian made paper?

Mr. Dutt.—You mean newsprint?

Mr. Batheja.—This thin news.

Mr. Dutt.—No.

Mr. Batheja.—Is it entirely different from the class of paper produced by the Paper Makers' Association?

Mr. Dutt.—Yes.

Mr. Batheja.—It is mostly used for wrapping or printing purposes?

Mr. Dutt.—Printing purposes.

Mr. Batheja.—What kind of printing?

Mr. Dutt.—Ordinary letter press printing.

Mr. Batheja.—Is it used for newspaper printing?

Mr. Dutt.—This newsprint is specially used for printing Bengali almanacs, catalogues, hand bills, as wrapper for cigarettes, etc.

Mr. Batheja.—Is it used for printing newspapers?

Mr. Dutt.—Not the quality below 10 lbs.

President.—I will take the question of newsprint. You have seen the definition of newsprint given by the Paper Makers' Association. Your point of view is that newsprint is a class which is assessed under the head “printing paper”?

Mr. Dutt.—Yes.

President.—And you would rather keep the present practice than have any change as suggested?

Mr. Dutt.—Yes.

President.—You also state that that the present schedule has worked satisfactorily and that it might be allowed to continue.

Mr. Dutt.—Yes.

President.—With the proviso that the controversial papers might be classed according to the decisions which the Board may reach?

Mr. Dutt.—Yes.

President.—You have sent a separate note, I find, on the question of Boards. What is it that you wish to convey thereby? Is it that you want to distinguish between paper and board according to the suggestion put forward by my colleague?

Mr. Dutt.—Mr. Batheja wanted me to draw a line of demarcation between the paper and the board.

President.—According to you Art paper in substance $20'' \times 30'' = 80$ lbs. or $18'' \times 22'' = 52$ lbs. will be called paper.

Mr. Dutt.—Blotting paper of 60 lbs. is called a paper.

President.—But a paper of thinner weight, say, $18'' \times 22'' = 50$ lbs. may be called a board.

Mr. Dutt.—Yes, it must be stiff.

Mr. Ghosh.—Rigidity is the main consideration.

President.—To distinguish it from paper?

Mr. Ghosh.—Yes.

President.—There is no question about substance there?

Mr. Ghosh.—Substance has got to be considered also. Take for instance the Art paper of $18'' \times 23'' = 100$ lbs. which is a very thick paper. But it cannot be called a board because it has not got the rigidity.

President.—I suppose the trade can easily distinguish it.

Mr. Dutt.—Yes.

Mr. Batheja.—By what process is this physical attribute produced in the manufacture?

Mr. Dutt.—It depends upon the beating.

Mr. Batheja.—By beating you can make the paper more rigid.

Mr. Dutt.—Yes.

Mr. Ghosh.—And also sizing.

Mr. Batheja.—What is generally the percentage of sizing in the board?

Mr. Ghosh.—It is not possible for us to say that.

President.—Let me now consider the complaint which you have made about the Spence and Krauss method. You have submitted a separate note on paper testing method by Spence and Krauss and your suggestion is that the marginal difference of test result should be extended.

Mr. Dutt.—Yes.

President.—Is it your experience that the testing is not carried out properly?

Mr. Ghosh.—The results differ very much. That is our experience. Some paper was tested once and found to contain 65.9 per cent. mechanical wood pulp. The same paper was tested in the next consignment but the result was altogether different.

President.—But I think that on the whole barring a few exceptions the present method is a distinct improvement on the past practice.

Mr. Dutt.—That we must frankly admit. We have not recommended any better method.

President.—You are only suggesting that better persons may be employed so that the testing may be done more efficiently?

Mr. Dutt.—Or more experience may be gathered not only by engaging better men but also by improving the testing method. The results of the

testing done here can be compared and checked with the percentage of mechanical wood pulp in a paper made with known furnish.

President.—Have you sent a copy of this note to the Customs?

Mr. Dutt.—No.

President.—From where did you obtain this note?

Mr. Dutt.—From a book.

President.—Then, this might be already in the possession of the Customs authorities.

Mr. Ghosh.—Yes.

President.—As regards this method, I suppose you are aware that according to the Central Board of Revenue, discretion is vested, over and above the allowance of 10 per cent. for the two errors, in the Collectors of Customs to allow a paper under the non-protected class provided it is found that the paper is ordered to contain 70 per cent. mechanical pulp?

Mr. Dutt.—Only 5 per cent.

President.—Yes 5 per cent. but over and above that there is that discretion vested in the Collector of Customs.

Mr. Rao.—The contention of our Association is this. A particular paper is tested, say, at the Alipore Laboratory and is found to contain 65 per cent. Then, we are asked to pay 1 anna 3 pies. We protest and appeal to the Collector of Customs. Paper is then re-tested and is found to contain 69.8 per cent. There have been instances like that where we had to pay the extra duty and then get back the refund. The same paper is tested twice in two laboratories and the difference in the results obtained in two laboratories is about 5 per cent. Our contention therefore is that the present margin of 5 per cent. should be increased.

President.—It is not 5 per cent.

Mr. Rao.—As far as we know, it is.

President.—I will read out to you the ruling which has been given by the Central Board of Revenue and which is entirely in favour of importers. It says that the Government of India, however, have undertaken that a margin (to allow for the two errors mentioned) of 5 per cent. will be allowed and in exceptional cases this margin may be exceeded at the discretion of the Collector of Customs.

Mr. Rao.—We don't want it to be at the discretion of the Collector of Customs. We want it to be given as a matter of course if the difference is only 10 per cent. If the discretion is vested in the Collector of Customs, he may take it into his head sometimes to use it and sometimes not.

President.—It is very difficult for the Board to recommend at this juncture a change when the previous Board had recommended that papers containing 70 per cent. and above of mechanical wood pulp should be exempted from protective duty.

Mr. Rao.—Our reason is that a paper tested twice in two laboratories is often found to yield different results.

President.—Mr. Rao, I entirely sympathise with your point of view. There have been some cases in which there has been a difference of opinion between one testing house and another. But in most of these cases, I understand, you have received refunds, though it has entailed some hardship.

Mr. Rao.—In certain cases, the discretionary power vested in the Collector of Customs is not used in our favour.

President.—Discretion is there, but is only not exercised.

Mr. Rao.—That is our difficulty.

President.—I do not know whether I can force the Collector of Customs to use it.

Mr. Rao.—Yes, therefore we are saying that the difference up to 10 per cent. should be allowed.

Mr. Dutt.—In view of the fact that there have been cases in which the Calcutta report has differed from that of Lahore, we hope that until some improvement takes place in the testing method, the Board will recommend that the margin may be a little bit extended, just to give some relief.

President.—Over and above 70 per cent.?

Mr. Dutt.—Over present 5 per cent. up and 5 per cent. down.

Mr. Ghosh.—It may be a little extended, so that there may not be any trouble. It takes about a month to get the test done at Calcutta and then if we prefer to have the retest made at Lahore, it will take another month or so.

President.—You realise that on this a very important point is based. The whole class of printing paper is assessed on the basis of this test and the Board has to be very careful before making any proposals. As it is, complaint has been made definitely by the Paper Makers' Association either on the ground of test or otherwise that certain classes of paper though not meant to be protected as printing paper are coming in and competing with their paper and if we raise this margin the scope of protection may be restricted. Therefore, the present margin must be adhered to until a new Tariff Board enquiry into the whole question takes place. I don't think that it will be right for the present Tariff Board which is solely concerned with the classification of paper to draw its pointed attention to this matter. At the moment, discretion is vested with the Collector of Customs by the Central Board of Revenue and we have no reason to suppose that it is unjustly withheld. As regards newsprint you know it is coming in under the non-protected class according to its mechanical content. I had to point out to the paper makers that it was not merely the newsprint but the whole class of printing paper containing 70 per cent. and more of mechanical wood pulp which was intended to come under revenue duty. The Paper Makers' Association have suggested a definition of newsprint, viz., 18" x 22" weighing not less than 14 lbs. and not more than 17 lbs. in order to distinguish newsprinting from other printing papers.

Mr. Dutt.—I think the previous Tariff Board has discussed that point at some length and has definitely said that 70 per cent. fibre content is the criterion.

President.—I am now discussing the suggestion which has been made to us. Do you think it is possible to exclude a certain class of paper by defining in somewhat similar manner?

Mr. Rao.—No, it is not practicable.

President.—You have stated here that the Paper Makers' Association do not find any difficulty in selling their entire output and in Calcutta market they have succeeded well where it is more because of the swadeshi spirit.

Mr. Ghosh.—They get a higher price in Calcutta.

President.—Than the price realised in the interior markets?

Mr. Ghosh.—Yes, than what is realised in Bombay, Lahore, Madras or Rangoon. They pay railway freight to those markets and yet their prices in those markets are cheaper than Calcutta prices.

President.—Do you mean to say that the swadeshi movement is only confined to Calcutta?

Mr. Dutt.—That we cannot say.

Mr. Rao.—It is not a question of swadeshi movement.

President.—Your point of view is that the Calcutta people are so patriotic that they are willing to pay more than the people of Bombay and other places for a similar class of paper. I am asking you whether the patriotic feeling in Calcutta is greater than in the rest of India.

Mr. Ghosh.—Patriotic feeling is the same whether it is Calcutta, Bombay or Madras, but on account of the close proximity they get better prices in Calcutta.

President.—It should be the other way about. With regard to your proposed Tariff Schedule, I don't think it would be worth while to discuss it if you are of opinion that the present Tariff Schedule has worked satisfactorily and that it may be retained?

Mr. Ghosh.—Of course with certain modifications.

President.—With the modifications which we have discussed to-day?

Mr. Dutt.—Yes.

Mr. Batheja.—Mr. Dutt, as on previous hearings, I shall not go into the details which have been already covered by the President, but I shall ask you a few questions about individual papers arising from the remarks made by you in reply to the President, regarding papers about which there has been considerable controversy between the paper manufacturers and paper importers, on which I am happy to say there is considerable agreement now after this enquiry. I notice that you have also accepted most of the conclusions of the paper manufacturers and the importers. I notice further that you have accepted some of the conclusions more in the spirit of compromise than in the spirit of conviction. That means, you do not accept the trade usage. I want to understand your reasons why you do not wish to class a particular paper as coming under certain heading. Certain compromises you have accepted willingly; the others, rather unwillingly, I should say. Take the duplicator paper. You don't think that it is a printing paper at all?

Mr. Dutt.—No.

Mr. Batheja.—Though for the sake of compromise you have no objection to class it as a printing paper?

Mr. Dutt.—That is so.

Mr. Batheja.—I want to understand your reasons for that.

Mr. Dutt.—I do not know under what head it will go.

Mr. Batheja.—It is open to us to create a separate head provided the object the Tariff Board had in view in 1931 is attained, if the same object can be attained in some other way without creating any violence to the general usage.

Mr. Dutt.—I say if it is soft sized it is absorbent paper, if it is hard sized it is writing paper.

Mr. Batheja.—You said in reply to a question from the President, that it is neither a printing nor a writing paper. You said it is a class by itself. Would you like to make it into two heads and soft sized would be absorbent class so as not to do any violence to the usage?

Mr. Dutt.—Yes. If duplicator paper is hard sized then it is definitely a writing paper.

Mr. Batheja.—Are there fair quantities of hard sized duplicator paper coming into this country?

Mr. Dutt.—I am not importing any.

Mr. Batheja.—What is that paper which is coming into competition with the Indian paper about which the Indian manufacturers complain?

Mr. Dutt.—I do not know. We draw our supplies from the local mills. We are concerned with the Calcutta market; so far as this market is concerned I know Messrs. John Dickinson & Co. are importing this paper.

Mr. Batheja.—So far as the Calcutta market is concerned duplicator paper is not important from the point of view of competition?

Mr. Dutt.—That is so.

Mr. Batheja.—Let us take this cartridge paper. You say it is neither writing nor printing but it is a special class. But still there is a class of paper, cartridge white, which does compete with the Indian paper. Am I correct?

Mr. Dutt.—Practically no cartridge paper is coming as printing paper to compete with the Indian paper.

Mr. Batheja.—Is it being used for that purpose?

Mr. Dutt.—We have no knowledge.

Mr. Ghosh.—Cartridge paper is imported generally in size 22×32 but very little printing paper comes in that size; so the mills' contention that cartridge paper in printing size is coming in to compete against their product is a thing which is unknown to us.

Mr. Batheja.—They have mentioned some actual instances.

Mr. Ghosh.—The instances may be taken as exceptions; it is not the ordinary practice, otherwise we would have known about this thing.

Mr. Batheja.—I find in some classification supplied by you that printing paper and cartridge paper are grouped together.

Mr. Dutt.—Drawing paper is grouped with writings. Cartridge paper if it is called drawing paper it must be imitation. Drawing paper is a rag paper very hard sized and I think the value is more than Re. 1 per lb. and if it is hand made it may cost about Rs. 2 per lb.

Mr. Batheja.—Do I understand that drawing paper resembles writing paper more than printing paper?

Mr. Dutt.—Exactly so.

Mr. Batheja.—And therefore can be safely grouped together without any violence to the usage?

Mr. Dutt.—Not mixed up with writing paper. The heading is writing and drawing.

Mr. Batheja.—What is the position of drawing paper now. I suppose it pays a duty?

Mr. Dutt.—What we are discussing about is the ordinary cartridge paper. That comes under section 44.

Mr. Batheja.—Drawing paper comes under section 44?

Mr. Dutt.—Yes.

Mr. Batheja.—It does not come under section 44 (3) at all?

Mr. Dutt.—No.

Mr. Batheja.—Even if it resembles writing paper? That means for the purpose of taxation just now it is treated as a class by itself, except those qualities?

Mr. Dutt.—Higher class goods we do not import.

Mr. Batheja.—Drawing cartridge paper $18 \times 22 - 24$ lbs. and up is treated as a special paper coming under 44?

Mr. Dutt.—Yes.

Mr. Batheja.—Now let us take Badami. Badami paper is printing paper, but how is it that one of the leading importers of Bombay inform us that some of the Badami paper coming from abroad is used for Government records and Government correspondence?

Mr. Rao.—Yes, we ourselves have supplied eleven hundred tons to the Madras Government.

Mr. Batheja.—Is that used definitely for writing purposes?

Mr. Rao.—Yes, and for printing also.

Mr. Batheja.—Badami paper may be used in certain circumstances as writing paper?

Mr. Rao.—It can be used.

Mr. Batheja.—Then you do not deny that badami paper in certain circumstances can be used as a writing paper?

Mr. Dutt.—Yes, but it may be an exception.

Mr. Batheja.—Is it used or not?

Mr. Dutt.—It is made into scribbling blocks which are used for writing purposes.

Mr. Batheja.—Judging from the distinct practice of the Madras Government and the Railways in India it is being used?

Mr. Dutt.—Yes, to a certain extent. But it may be an exception. What the Indian paper mills call printing paper can be written on; on the basis of that every printing paper may be called a pucca writing paper.

Mr. Batheja.—That argument is all right as far as ordinary consumers and manufacturers are concerned, but for such patrons as the Government of Madras and the railways the other point has got to be considered.

Mr. Dutt.—When no permanency of record is necessary then one can even use newsprinting for producing forms.

Mr. Batheja.—As an expert what is your opinion. Is it a writing paper or a printing paper; how would you classify it? It is hard sized. (Paper shown.) According to manufacturers it is a writing paper. You do not accept that. You say it is a printing paper. The paper manufacturers say that Government and railways use this for their correspondence and records.

Mr. Dutt.—I don't think they are using such thick paper for correspondence. As a matter of fact all printing papers in India are practically used for writing as well.

Mr. Batheja.—That definite quality is competing with paper produced by them.

Mr. Dutt.—It may compete.

Mr. Batheja.—Let us take M. G. Pressings and M. G. Wrappings. What is the difference between these?

Mr. Dutt.—M. G. Pressings is included in M. G. Wrappings. They are low grade of M. G. Wrappings.

Mr. Batheja.—You agree that this might be treated as a printing paper: up to 24 lbs. demy as wrapping and others as cover printing?

Mr. Dutt.—Yes.

Mr. Batheja.—Shall we be doing any great violence to the current usage if it is classed as printing paper?

Mr. Dutt.—We are doing violence to the general usage in any case. In trade cover paper is taken as an evolution of wrapping.

Mr. Batheja.—Do you accept the view of the paper manufacturers that all cover papers are printing papers?

Mr. Dutt.—Not exactly, but for the sake of compromise we have accepted it. But I may point out that whenever they produce sample books for the trade they treat cover paper as a miscellaneous class. But as a compromise for helping the Customs we have accepted the definition.

Mr. Batheja.—But most of it escapes the protective duty because it contains a large proportion of mechanical pulp.

Mr. Rao.—On certain cover papers which contain less than 70 per cent. mechanical pulp a protective duty of As. 1-3 is paid. I have got three or four grades of such papers.

Mr. Batheja.—Is there any justification for grouping esparto paper as a class by itself? What is your opinion on that point?

Mr. Dutt.—They are undoubtedly a better grade paper.

Mr. Batheja.—It is a high class paper which may be used both for printing and writing?

Mr. Dutt.—Yes.

Mr. Batheja.—It has been suggested that these papers should be encouraged to come into India in order to encourage improved quality of printing in this country.

Mr. Dutt.—I agree.

Mr. Batheja.—Will they not compete with the better grades of Indian paper?

Mr. Dutt.—Similar quality of papers are not manufactured in India.

Mr. Batheja.—If they were exempted from the protective duty as has been suggested by the Import Association will they not cut a good deal into the market of the Indian papers?

Mr. Chatterji.—Its very high price will not allow it to come into competition with Indian papers.

Mr. Batheja.—What is the price of esparto paper? Are there many varieties?

Mr. Chatterji.—We are importing only one quality.

Mr. Batheja.—They are at present protected; but suppose they were not protected, what qualities of esparto paper would come in and at what possible price would they sell in the market in competition with the Indian papers?

Mr. Dutt.—I am thinking of the mixed esparto quality which may be cheaper.

Mr. Batheja.—There is a possibility?

Mr. Dutt.—For pure esparto paper there is no possibility.

Mr. Batheja.—Pure esparto paper is so expensive that even with the revenue duty the price would remain higher than that of the Indian paper?

Mr. Dutt.—Yes.

Mr. Batheja.—But there is the real danger that esparto paper may come in two qualities; one may be a mixed quality which may be partly esparto and partly something else and that may become so cheap that it would drive out the Indian paper from the market.

Mr. Dutt.—There is the possibility but like ordinary mechanical printing which has been demarcated up to 70 per cent., if this is also marked similarly, that difficulty can be got over.

Mr. Batheja.—Do you actually import mixed quality esparto paper?

Mr. Dutt.—Yes we do; it contains a certain percentage of chemical wood pulp.

Mr. Batheja.—You mean sulphite pulp?

Mr. Dutt.—Yes. It may be sulphite or soda.

Mr. Batheja.—At what price do you get it?

Mr. Dutt.—4d. a lb. It is imported from Scotland and they declare that it contains so much percentage of chemical pulp. I am not importing very much English paper.

Mr. Batheja.—In answer to question 1, you say "Writing papers must be hard-sized either tub-sized in case of superior grade or engine-sized in case of common writings". I suppose printings are also tub-sized?

Mr. Dutt.—Yes.

Mr. Batheja.—I think you said somewhere, probably in the interview, that it is very difficult to distinguish between writing and printing papers.

Mr. Dutt.—It is practically made out of the same pulp and in the same furnish. The local mills produce creamlaid and creamwove. They only add an extra loading and they are using the same furnish and only there may be some difference in beating.

Mr. Batheja.—You say typewriting and ledger papers have a greater rigidity. Is this rigidity due to extra sizing and extra beating?

Mr. Dutt.—Yes.

Mr. Batheja.—Will dimensions be suitable in demarcating writing papers from printing papers?

Mr. Dutt.—The sizes of writing papers are usually different.

Mr. Batheja.—Though the names are common, still the writing demy is quite different from printing demy and the writing royal is different from printing royal. For most purposes would that be a fair line of demarcation for printing or writing or do you think that it can be easily evaded?

Mr. Dutt.—I think so.

Mr. Batheja.—So that is no criterion.

Mr. Dutt.—There is no difficulty so far as the use of the market standard quality is concerned. Writing papers usually come in standard sizes whether they are manufactured locally or imported from abroad. Whatever we are getting, writing papers are of different sizes from printings.

Mr. Batheja.—Is it within your experience that certain classes of paper have been imported into India as mechanical printing. That means they are brought in printing sizes and cut up into writing sizes. Is it within your experience that such things have been done?

Mr. Ghosh.—We have no knowledge of that.

Mr. Batheja.—The paper manufacturers definitely asserted that certain mechanical printings have arrived in that condition and cut into writing sizes.

Mr. Ghosh.—That may or may not be true.

Mr. Batheja.—I want to know whether these things are being done or not.

Mr. Dutt.—The mechanical printing is never called a writing paper.

Mr. Batheja.—Why do you call it printing?

Mr. Dutt.—We call it printing.

Mr. Batheja.—What makes you call it printing?

Mr. Dutt.—According to the definition we have given.

Mr. Batheja.—If you refuse the right of the paper manufacturers to call it a writing paper, what is your right to call it a printing paper?

Mr. Dutt.—That is a common thing. Writing paper is a superior thing which actually lasts for a longer time and stands writing.

Mr. Batheja.—If there is no definite line of demarcation between writing and printing paper, the only test is the actual use.

Mr. Dutt.—Not only that. What we usually call one thing should be taken as the regular practice in the market.

Mr. Batheja.—I cannot understand your contention. Here I showed you a specimen of a badami paper. You say it is printing. It is actually being used according to the evidence of one of your members for writing and so on. What is your justification for calling it as printing?

Mr. Dutt.—Ordinary mechanical printing containing 70 per cent. and which has got no lasting value, that we cannot say as writing paper. Ordinary writing paper must be of a better grade paper. Unless it is a better grade paper, we do not class it as writing paper.

Mr. Batheja.—You have got some criterion at the back of your mind by which you call a certain paper as printing paper and not as writing paper. I want to get at the criterion in your mind. Why do you call it a printing paper? For instance take Badami. You call it printing paper. Is it because it contains 70 per cent. mechanical pulp?

Mr. Dutt.—Yes.

Mr. Batheja.—So far as the use is concerned, you say it is used for writing on a large scale by the Madras Government and the Railways.

Mr. Chatterji.—It may be called a writing paper in a poor country.

Mr. Batheja.—We are talking of the actual practice in India.

Mr. Rao.—Most of the printing paper that is being imported contains more than 70 per cent. It cannot be defined as writing paper. It may be used for scribbling purposes.

Mr. Dutt.—We can use newsprint for writing. Not only in England, but in America there is a tablet paper which can be used for writing under the heading newsprint.

Mr. Batheja.—You cannot have it both ways. I can understand your saying “I am right or the paper manufacturers are right”, but when you say “this is printing and not writing”, it implies a certain criterion in your mind which I want to get at.

Mr. Dutt.—In the case of Indian Paper Manufacturers they call it a class of printing paper, but it is extensively used for writing purposes.

President.—The criterion that you have laid down is given on page 7 of your representation. You say: “This quality of paper is of ephemeral nature and liable to discolour and decay by slight exposure in light”. That conveys the meaning that you wish to represent?

Mr. Dutt.—Yes.

Mr. Batheja.—That is not an exact mathematical test for the purpose of Customs taxation. All that may be very valuable for the empirical man, for the actual trader.

Mr. Dutt.—It contains 70 per cent. mechanical wood pulp.

Mr. Batheja.—On page 2 you have given a very interesting classification: Absorbent-blotting, Enamelled Blotting, Inter-leaving Blotting, Flong for Stereotyping, Filter paper, Duplicating, Printings, Writings, Wrappings, Covers, Metallic and Fancy Papers, Boards and Card Boards and Tissues. You say they are not mutually exclusive, but you have classified them according to the primary use. I want to get at the primary use. What is the primary use of these metallic and fancy papers?

Mr. Dutt.—For producing labels and for decorating.

Mr. Batheja.—What are Metallic papers? Are they Gold and Silver papers which come from China?

Mr. Dutt.—Yes, and also from England, Germany and France.

Mr. Batheja.—What are the secondary uses of tissues?

Mr. Dutt.—Toilet paper.

Mr. Batheja.—What are the other kinds of tissue paper?

Mr. Dutt.—Ordinary white tissue paper, acid free tissue paper, coloured tissue, M. G. tissue paper, M. G. coloured tissue paper and striped coloured tissue paper, etc.

Mr. Batheja.—What is common about all these papers which makes you call them tissue paper?

Mr. Dutt.—Tissue papers are used for making kites.

Mr. Batheja.—What is the common quality which makes you classify them under tissue papers?

Mr. Dutt.—Thinness and so there is no demarcating line between printing paper and tissue paper.

Mr. Batheja.—It is not very scientific. It can't be very exact.

Mr. Dutt.—No.

Mr. Batheja.—In your answers to the questionnaire you say “All sorts of writing papers are used for commercial Job-printing, even the “hard-sized” papers best of its classes are used for printing of mercantile forms. No question of ordinary writing papers, which are elaborately used for issuing Prospectus and Article and Memorandum of Companies”. Do you mean to say that there are certain high class writing papers which are used for printing?

Mr. Dutt.—Yes, high grade writing papers—handmade papers.

Mr. Batheja.—They are also used for printing.

Mr. Dutt.—Yes.

Mr. Batheja.—Is there any general tendency in recent years to replace certain classes of writing papers or printing papers by mechanical printings imported from abroad? This is the fear of the paper manufacturers and they express this fear in very vigorous language and in equally vigorous language the Paper Import Association deny that.

Mr. Rao.—No.

Mr. Chatterji.—Mechanical printings are always imported.

Mr. Dutt.—The general use of the paper is increasing. So the importation is increasing.

Mr. Batheja.—Is the character of the demand shifting on account of the effect of protection?

Mr. Dutt.—No.

Mr. Batheja.—Two or three instances were shown to us by the Paper Manufacturers where mechanical badami papers are taking the place of writing papers.

Mr. Chatterji.—Not in this market.

Mr. Batheja.—You don't find any increasing tendency on the part of the consumer or dealer to ask for inferior mechanical printing paper which is cheap rather than a paper which is being taxed at the protective rate? You confirm what the Paper Import Association say?

Mr. Dutt.—Yes.

Mr. Batheja.—On page 4 you have given a list of printing papers. Is Bible printing paper a special class of paper?

Mr. Dutt.—Yes.

Mr. Batheja.—What are its special attributes?

Mr. Dutt.—Voluminous book in a compact form.

Mr. Ghosh.—Rabindranath Tagore's Gitanjali is printed on it.

Mr. Batheja.—You have given us sub-divisions of newsprint or mechanical printings, S. C. News and M. F. or Unglazed, News Middles. What sort of paper is News Middles?

Mr. Rao.—It is generally imported under £10 per ton.

Mr. Batheja.—How does No. III Mechanical Glazed or Unglazed Coloured differ from No. IV Thin News (White or Coloured)? Is No. III a thick class of paper? I want to understand your sub-division of newsprint or mechanical printings. The first is S. C. News and M. F. or Unglazed (wove or laid) news.

Mr. Dutt.—Yes.

Mr. Batheja.—The last is thin news (white or coloured).

Mr. Dutt.—Yes.

Mr. Batheja.—Is the main difference between these varieties one of colour or is the difference based on thinness and thickness? Take for example mechanical glazed or unglazed coloured and thin news (white or coloured). How does the latter differ from the former? Is the former thicker?

Mr. Dutt.—Yes.

Mr. Batheja.—Is that the only difference?

Mr. Dutt.—Yes. Thin news comes usually unglazed.

Mr. Batheja.—The first one is S. C. News and M. F. or unglazed news.

Mr. Dutt.—That is so.

Mr. Batheja.—Is there offsetting process of printing in use in Calcutta?

Mr. Dutt.—Yes.

Mr. Batheja.—It is not in use in the Statesman office.

Mr. Dutt.—I do not know whether the Statesman has got it or not.

Mr. Ghosh.—All the leading firms in the line have got offsetting machines.

Mr. Dutt.—Old litho machines have been replaced by offset machines.

Mr. Batheja.—On page 11, you have given certain prices. Are they prices of any printing class of paper or are they average prices?

Mr. Dutt.—These are the prices of sulphite printing papers.

Mr. Batheja.—Irrespective of quality within that class?

Mr. Dutt.—Yes.

Mr. Batheja.—That means to say, they are average prices?

Mr. Dutt.—They are almost all of the same quality.

Mr. Batheja.—Are they lowest prices?

Mr. Dutt.—Yes.

Mr. Batheja.—Is there any reason for that?

Mr. Dutt.—That I cannot say.

Mr. Batheja.—What classes of paper are coming from Japan?

Mr. Dutt.—Sulphite printing paper.

Mr. Batheja.—What are the Japanese prices like?

Mr. Dutt.—I do not know.

Mr. Batheja.—Is nobody importing Japanese paper into Calcutta?

Mr. Dutt.—No. The Japanese printing papers are not very cheap.

Mr. Batheja.—In reply to question 9, you give us your idea of what the classification ought to be. It does not seem to me to be an exhaustive classification. But I suppose you are more concerned with the principle of the scheme than with the details?

Mr. Dutt.—Yes.

Mr. Batheja.—You have grouped printing and writing papers, and you are trying to abolish the distinction between the two?

Mr. Dutt.—Yes, so far as cheap papers are concerned.

Mr. Batheja.—Probably you have not understood the nature of the task that has been set to us. It is not open to us to revise the findings or the decisions of the previous Tariff Board and the Government of India.

Mr. Dutt.—If you have got only limited powers, then I am prepared to make the necessary alterations.

Mr. Batheja.—Then, I notice that you have reduced the percentage of mechanical wood pulp from 70 to 65. I am afraid it is not within our power to modify that.

Mr. Dutt.—I did not understand that you have only limited powers.

Mr. Batheja.—You have lumped all other classes of paper such as boards, etc., under one heading.

Mr. Dutt.—They all come under “other sorts”.

Mr. Batheja.—You say that they may be brought under item 44.

Mr. Dutt.—For that class there are two duties, viz., 30 per cent. and 20 per cent. One is revenue duty and another preferential duty. This item practically covers everything.

Mr. Batheja.—Do you want to apply the limit of 10 lbs. and under to all classes of paper?

Mr. Dutt.—My intention is to limit it to mechanical printing.

Mr. Batheja.—What is the use of limiting it to mechanical printing because in any case if the mechanical pulp content is more than 70 per cent. it will come in at the revenue rate?

Mr. Dutt.—These do not compete with local papers.

Mr. Batheja.—The classification by weight is superfluous. You have mentioned two classifications, viz., pulp content and weight. When the pulp content is sufficient, it is not necessary to have the other, viz., the weight classification.

Mr. Dutt.—In my representation in opposition to the Mills I have mentioned thin newsprint. We find that 30 per cent. chemical pulp is not sufficient to give strength to thin papers. Therefore in some cases more than 30 per cent. sulphite pulp is needed. Further this class of paper is practically not competing with the local mills' papers and is much thinner. So, in order to be on the safe side, we have recommended both weight and pulp content.

Mr. Batheja.—Do they not produce any mechanical writings at all?

Mr. Dutt.—No. Therefore I have asked for the exemption of these thin papers.

Mr. Batheja.—Are they not exempted if they contain more than 70 per cent. mechanical wood pulp?

Mr. Dutt.—In the case of these thin papers, the mechanical wood pulp content may be less than 70 per cent.

Mr. Batheja.—I would like to understand your view about the standard newsprint. Is this standard newsprint a special class of paper? Are newspapers in India using newsprint which does not satisfy the criterion as given by the paper manufacturers?

Mr. Dutt.—Most of them are far away from that.

Mr. Batheja.—The word newsprint is applied in actual trade to paper required for newspaper printing and for other classes of printing?

Mr. Dutt.—We have given you full information on that point in our replies.

Mr. Batheja.—Coming to your original representation, you say that the sole criterion should be the percentage of mechanical wood pulp content for distinguishing protected paper from revenue duty paying paper. But now, it is not the sole criterion.

Mr. Dutt.—Quite so. But we are of opinion that that should be the criterion—no matter whether the paper is used for writing or printing. In the case of writing paper, some sizing material is added and the cost is not raised very much. Therefore in our opinion the mechanical wood pulp content should be the sole criterion.

Mr. Batheja.—That is your opinion, but that is not the opinion of the legislature.

Mr. Dutt.—That may be so.

Mr. Batheja.—In all your representations, whether addressed to the Government of India or addressed to us, you are very strong opposers of the method suggested by the Commerce Secretary that the protected papers should be classed as residual papers and that the non-protected papers should be specified. You have given very many reasons. Do you stick to them?

Mr. Dutt.—Yes. They are all mentioned in the original representation.

Mr. Batheja.—You would rather prefer that the present method should be in force?

Mr. Dutt.—Yes.

Mr. Batheja.—Because it is very much simpler. But you have omitted a number of other items.

Mr. Dutt.—“All other sorts” will cover them.

Mr. Batheja.—Do you expect that if the procedure is reversed the understanding which has been arrived at will be upset and there will be more confusion?

Mr. Dutt.—I think so.

Mr. Batheja.—You refer to the application of a well-known Calcutta newspaper. Has this application been opposed by others regarding the standard newsprint? It has been suggested by the paper manufacturers that newsprint should be defined in a particular way and you say for that definition of newsprint they have secured the support of some big newspapers. On what consideration was their support secured?

Mr. Dutt.—To help each other. I don't know how much lower duty it will be than the present scale.

Mr. Batheja.—How does it benefit newspapers if they pay the present scale of revenue duty?

Mr. Dutt.—They have asked for a lower duty.

Mr. Batheja.—A lower scale of duty than the existing one on newsprint?

Mr. Dutt.—Yes.

Mr. Batheja.—The paper manufacturers have no difficulty in agreeing to that because they do not lose in any way.

Mr. Dutt.—Quite.

Mr. Batheja.—Was this move opposed by other papers, printing establishments and so on?

Mr. Dutt.—That was not ventilated properly. I think some of the newspapers objected to that. We secured a copy from one of them.

Mr. Batheja.—What is the name of the newspaper which objected?

Mr. Dutt.—“Ananda Bazar Patrika.”

Mr. Batheja.—Is it an influential paper?

Mr. Dutt.—It is.

Mr. Ghosh.—It is the premier Bengalee paper in Calcutta.

Mr. Batheja.—Did some small printing establishments also oppose the scheme?

Mr. Dutt.—I do not know. Practically they have no information about that. Neither have we for that matter.

Mr. Batheja.—I have nothing more to ask except to invite your assistance in one respect. I have here made out a list of papers which have been mentioned in the course of evidence. I shall be obliged if you will kindly go through this list and specify what papers should be protected and what should be exempted.

Mr. Dutt.—Yes. Gladly! The mills suggested that Pulp Boards be protected. The term Pulp Board practically covers the Wood Pulp Board a raw material for the mill. Do they seriously want that item to be protected?

President.—They want Pulp Board as such should be protected, provided the Tariff Board is satisfied that it can be classed either as printing or writing paper . . .

Mr. Batheja.—Here is the list. If you will simply specify what classes of papers you would like to be exempted, it will be convenient to us.

Mr. Dutt.—Yes. I will try to send it to you day after to-morrow.

President.—*Mr. Dutt,* I want to get one point cleared up before we adjourn. It is rather an important point raised in a letter by you addressed to us yesterday with regard to newsprint. You mention that according to the figures given by the Customs, newsprint under the class printing paper is at present coming in as large a quantity as 25,350 tons and the average value is Rs. 40 lakhs which works out at As. 1-1 per lb., and printing paper, other sorts, is 7,750 tons and the average value is Rs. 18,27,000 which comes to As. 1-7 per lb. roughly. Your contention is that this newsprinting class which is assessed at the tariff value of As. 1-1 is only white and grey.

Mr. Dutt.—Practically all white.

President.—You know grey is also paying tariff value, but your information is that all coloured papers coming under “other sorts”, are paying the invoice value.

Mr. Dutt.—Not invoice value but market value added with profit.

Mr. Rao.—The Calcutta Customs assess on the market value whereas Bombay and Karachi assess at the invoice value.

President.—This is the annual figure and this includes all ports.

Mr. Rao.—I can give you several instances in which a particular class of paper has been assessed at the invoice value.

President.—I was considering the figures given by you in the statement.

Mr. Dutt.—I have written that in my own personal capacity.

President.—I would like to settle this point. You say that the papers mentioned here are all termed newsprint. For instance Unglazed Coloured Middles, Unglazed Coloured News, Thin Coloured News and Bus and Ticket paper.

Mr. Dutt.—That is middles.

President.—But all middles are not printing paper.

Mr. Dutt.—Middles is practically from the manufacturers' point of view inside paper.

President.—There is a Central Board ruling that certain coloured middles were submitted for examination and they were considered as wrapping paper. You are replying now to the statement which was made by the Paper Makers' Association by saying that all these classes which come under "other sorts" are classed as newsprint by the trade: that is the point?

Mr. Dutt.—They are classed as newsprint even by the Customs. There are two kinds of assessment on newsprint, one is the tariff value for white and grey at As. 1-1 per lb. and the other is the market value.

President.—Your contention mainly is this, that the tonnage which is shown here contains a large number of varieties of newsprint?

Mr. Dutt.—Yes.

President.—There is another point which you have made here. It is in your representation of 27th June giving the reasons why printing is done abroad. You say that the price for good book-printing paper in England is As. 1-9 per lb. whereas in Calcutta the similar grade of paper is being sold by the Indian mills at As. 3-6 per lb. Is that the same paper?

Mr. Dutt.—Almost the same standard.

President.—A statement has been made before the Board that printed sheets of paper unbound are at present coming in duty free to be made into books here. That means that a certain tonnage of Indian paper must suffer.

Mr. Dutt.—It is a situation we anticipated as long ago as in our representation of 1925.

President.—Do you agree with the contention that it is doing harm to the industry?

Mr. Dutt.—Yes, to a certain extent. But if you try to prevent that, ready-made books will come in. We can't prevent that.

President.—I was told definitely that book binding charges are cheaper in India and therefore probably it pays to send books in loose sheets.

Mr. Dutt.—It may be that part of the book is printed at Home and a part is printed here.

President.—If a book is coming in duty free, there must be some reason for sending it in loose sheets; either printing is cheap in England or binding is cheap in India.

Mr. Dutt.—I have no information.

President.—Is there anything else you would like the Board to consider over and above what has already been discussed?

Mr. Dutt.—I don't think we have any more points to consider.

Messrs. John Dickinson and Company, Limited, Bomhay.

(1) *Letter No. 1480, dated the 21st June, 1935.*

With reference to the Notice appearing in the Press and the Department of Commerce Resolution, dated the 25th May, 1935, No. 202-T. (1)/35, we beg to submit as follows:—

It is presumed that the task before the Tariff Board is to decide on a classification of paper for the purpose of assessment of duty at either the Protective rate or the revenue rate.

It would appear, therefore, that if such papers that could not be produced economically in India, or which do not compete with an indigenous product, be defined and made subject to the revenue duty, all other papers could be made to be assessable at the Protective rate of duty.

This method of assessment would clarify the present unsatisfactory conditions and save considerable work and delay in the Customs Department at all Ports.

As paper importers we appeal to the Tariff Board to give deep consideration to the present high rates of duty, which apply to most imported papers, when forwarding their recommendations to Government on classification, and ask them to appreciate that any changes in the classification which would involve higher rates of duty than those which apply to-day will have a detrimental effect on the progress of education, the printing industry, the publishing trade in general, and many of the newer indigenous industries.

We suggest, therefore, that the revised classification should be in the form of the attached schedule.

Enclosure.

SCHEDULE.

SUBJECT TO REVENUE DUTY.

(A) *Articles made of Papier Mâché:—*

Paste-board, Mill-board, Straw-board and Boards all sorts.

Stationery including drawing and copy books.

Labels, advertising circulars, almanacs or calendars.

Christmas, Easter and other cards including cards in booklet form.

Waste Paper and Old Newspapers.

All the above exclusive of ruled or printed forms, letter papers with printed headings, manuscript books.

Trade catalogues and advertising circulars imported by packet, book or parcel post.

Postage stamps used or unused, paper money, and stationery otherwise specified.

(B) *The following kinds of paper, namely:—*

(1) Packing and Wrapping Paper all sorts.

(2) Coated Papers all sorts.

(3) Machine Glazed Papers; one sided papers; all sorts.

(4) Cartridge Paper weighing not less than 18×22, 32 lbs., 500 sheets, all sorts.

(5) Blotting, Copying, Crepe, Cigarette, Metallic, Match, Oiled, Toilet, Tracing, Telegraph Machine paper on reel, Wall Papers all sorts.

(6) All other kinds of paper in which the mechanical wood pulp amounts to not less than 70 per cent. of the fibre content.

SUBJECT TO THE PROTECTIVE DUTY.

(A) Ruled or Printed Forms including Letter Paper with printed headings and Account and Manuscript books only when Protective duty is more than Revenue duty.

(B) Paper all sorts not otherwise specified.

(2) Letter No. 16908, dated the 30th July, 1935.

CURRENT PRICES OF PAPER.

As requested by the President of the Tariff Board, we are sending you 5 copies showing the 1934-35 prices of the main qualities of Printing Papers.

If there is any further information or amplification needed, please let us know, when we shall be only too pleased to go into the matter again.

Enclosure.

Calcutta Importers' Prices, 1934-35.

Quality.	British or Foreign.	Cost c.i.f. per ton.	Duty.	Landing.	Total cost per ton.
Imitation Art Esparto . . .	British . . .	413.33	175.00	6.00	594.33
Imitation Art Free Wood . . .	Foreign . . .	293.33	175.00	6.00	474.33
Super Calendared Free Wood . . .	British . . .	306.67	175.00	6.00	487.67
Ditto . . .	Foreign . . .	260.00	175.00	6.00	431.00
M. F. Printing Free Wood . . .	British . . .	306.67	175.00	6.00	487.67
M. F. Printing Free Wood . . .	Foreign . . .	253.33	175.00	6.00	434.33
* 70 per cent. Mechanical Printing Unglazed 50 grammes.	" . . .	136.67	37.94	6.00	180.61
* 70 per cent. Mechanical Printing Glazed 50 grammes.	" . . .	140.00	37.94	6.00	183.94
50 per cent. M. G. Manilla . . .	" . . .	180.00	63.00	6.00	249.00
70 per cent. Mechanical Art . . .	" . . .	353.33	37.94	6.00	397.27
Woodfree Art	" . . .	426.67	175.00	6.00	607.67
Esparto Art	British . . .	586.67	175.00	6.00	767.67
Duplicator Free Wood (soft) . . .	Foreign . . .	203.33	88.50	6.00	287.83
" Esparto (soft) . . .	British . . .	426.67	86.00	6.00	518.67
Cartridge Free Wood	Foreign . . .	293.33	88.50	6.00	387.83
" Esparto	British . . .	480.00	96.00	6.00	562.00
" Pure Rag. . . .	" . . .	2,096.67	600.00	6.00	3,592.67
M. G. Pressing, 70 per cent. Mechanical.	Foreign . . .	173.33	37.94	6.00	217.27
Glazed *70 per cent. Mechanical Printing (coloured).	" . . .	173.33	52.50	6.00	231.83

* It should be noted that thinner weights of 70 per cent. Mechanical Printing increase in price by Rs. 6.8 to Rs. 13 per ton for each five to ten grammes reduction in substance.

Messrs. J. B. Advani and Company, Limited, Bombay.

(1) Letter dated the 25th June, 1935.

We have read the resolution No. 202-T. (1) 35, dated the 25th May, 1935, in the *Gazette of India* and have pleasure to send the following representation for your favourable consideration.

As passed by the Legislature, Protective Tariff applies to Printing Papers (excluding Chromo, Marble, Flint, Poster and Stereo) in which the Mechanical Wood Pulp amounts to not less than 70 per cent. of the fibre content, Glazed or Unglazed, White or Grey. The duty of As. 1-3 per lb., on papers to which the protective tariff applies amounts to Rs. 175 (£12-2-6) per ton.

Before discussing the question further, it will not be out of place to mention the three principles which have always guided the Tariff Board in deciding whether any particular kind of Printing Paper should be exempted from the Protective Duty. These principles are summarised in the report of the Indian Tariff Board as under:—

- (1) The paper must not compete with Indian paper.
- (2) If excluded from the Protected Tariff and so rendered relatively cheap, it must not be likely to compete with Indian paper.
- (3) It must be possible to define such paper in such a manner that it can be readily identified for Customs purposes.

The whole question of classification has therefore to be examined in the light of the above principles which have guided the Tariff Board in the past years.

From the resolution, it appears that the Government want a scheme of classification, the central idea of which should be the classification of non-protected papers, and the grouping of all others in a residual protective class.

We give below the list of the non-protected papers:—

Unglazed News, White and Badami.

" Thick Middles White and Badami."

Glazed News (Common and Illustration Printing).

Coloured Glazed.

Unglazed Coloured (Thin and Thick Middles).

—	C.I.F. Bombay.	Duty as paid 25 per cent. on Rs. 0-1-1.	Sample.
1. Unglazed White News	£ s. Rs. A. P. 10 0 133 5 4	Rs. A. P. 37 14 0	1
2. Unglazed News Badami	10 15 143 5 4	37 14 0	2
3. Unglazed Thick Middles	10 0 133 5 4	37 14 0	3
4. Glazed News Common	10 10 140 0 0	37 14 0	4
5. Glazed News Illustration Printing . .	13 0 173 5 4	37 14 0	5
6. Coloured Glazed Half sized	13 10 179 10 8 (25 per cent. on market value Rs. 0-1-8 per lb.). 60 0 0	46 11 0	6
7. Unglazed coloured thin	17 0 226 0 0	60 0 0	7
8. Unglazed Coloured Middles	11 0 116 14 0	37 11 0	8
9. M. F. Cover paper	13 10 179 10 8	37 14 0	9
10. Coated Art paper containing more than 70 per cent. Mechanical Wood Pulp.	26 0 346 10 8	37 14 0	10

All these papers contain more than 70 per cent. Mechanical Wood Pulp and are outside the scope of manufacture by the Indian Mills. The Indian paper manufacturers through their spokesman Mr. Bellamy giving evidence before the Tariff Board said "We will never be able to compete with a paper containing 70 per cent. Mechanical Wood Pulp, not even with the protective duty as the raw material is not in the country". Again at another place Mr. Bellamy confessed "that any paper which contains 70 per cent. or more Mechanical of the total weight does not compete with the Indian paper". Besides applying the yardstick of the three underlying principles mentioned above, it will be seen that these non-protected papers are being correctly assessed and we are not aware of any disputes regarding the interpretation of the Tariff in any of these instances. If, however, there arise occasions for such disputes, these could be met by amplifying the classification and making it exhaustive as we shall suggest hereafter. We understand that objection has been taken by the Paper Makers' Association against the import of grades such as Illustration News which by their very nature contain a good percentage of clay and effort is being made by the Paper Makers' Association to suggest a new definition of Newsprint making import of such papers to pay the Protective Tariff of £12-2-5 per ton. The c.i.f. price of this paper which is largely imported by the "Times of India" (they consume about 1,400/1,500 tons yearly) is about £12-10 per ton and the Paper Makers' Association would have that paper to pay a duty of £12-2-5 per ton. Having obtained an overdose of protection they think only of themselves and not the consumer. Dr. Matthai very ably remarked to Mr. Bellamy when the latter was giving oral evidence that "the Board was administering here what is called discriminating protection in which the well being of the consumer was of cardinal importance". It is absolutely wrong on the part of the Paper Makers' Association to imagine that if they make Illustration News to pay the Protective Tariff, those now using this grade will shift over to their Wood-free qualities. Rather they would shift to the cheaper and lower grades which would make a publication of the nature of the illustrated very much inferior in get up and display of its otherwise artistic production. This is the only work of its kind in India and should be looked upon as more or less National and as such it requires special consideration.

On 10th September, 1925, when Sir Charles Innes moved the resolution in the Legislative Assembly recommending protection to the Bamboo Paper and Paper Pulp industry he said that the ground on which exemption was given to Printing paper containing a high percentage of mechanical pulp was "this class of paper is so cheap that Indian paper would not compete with it unless we put on a perfectly *outrageous degree of protection*". The Board has therefore to implement the premises in the Legislature and cannot subject non-protected paper to a protective duty of 100 per cent. or more and that too in the face of the fact that such levy will do no good to the industry.

We shall now take into consideration the definition of Newsprint as defined by the Paper Makers' Association in their letter dated the 28th February, addressed to the Secretary, Government of India, Commerce Department. They submit:

(1) That any paper to pass as Newsprint must weigh not more than 17 lbs. and not less than 14 lbs. and must be in size 18 x 22—500 sheets to a ream. It is not clear from their letter whether they want to restrict Newsprint to this one size or they mean that the paper could be imported in any size but it must be in the substance as above. It would be ridiculous to restrict Newsprint to one size as India imports Newsprint in several sizes and all printers have machinery for the size they import. Following are a few of the regular sizes imported:—

18 x 22"	22 x 36"	17½ x 22½"	22½ x 35"	35 x 45"
20 x 26	26 x 40	20 x 27	27 x 40	
20 x 30	30 x 40	22 x 20	29 x 44	29½ x 43
31 x 41	32 x 42	17 x 27	27 x 34	

Further their suggestion that Newsprint be restricted to weights between 14 and 17 lbs., in size 18×22 " is not practicable. At present Newsprint is imported in India in all substances from 24 grs. (equal to 7 lbs., in size 18×22 ") to 100 grs. (28 lbs., in size 18×22 "). None of this imported paper is capable of being produced in this country nor does it in any way compete with anything produced in the country.

(2) Not less than 70 per cent. of the total fibre shall be Mechanical Wood Pulp and the remainder shall be unbleached sulphite. The stock may not be bleached.

In this connection we understand that all papers now passing the Customs as non-protected satisfy this condition.

(3) Ash.—They lay down that ash shall not be more than 2 per cent. There are some grades of paper such as Glazed News imported at £12-10 per ton c.i.f. Bomhay which leave ash to the extent of 15 per cent. To an urgent telegram sent by us to one of our principal supplier of Unglazed News asking for the composition of Newsprint, we received a telegraphic reply informing us that Newsprint usually consist 70 per cent. to 75 per cent. Mechanical Wood Pulp, balance unbleached sulphite and that the ash would consist of 5 per cent. to 13 per cent. It will thus be clear that the definition of Newsprint as suggested by Paper Makers' Association apart from the objection of its being restricted in size and substance would not be acceptable from the point of view of their suggestions as to the percentage of ash. Surely it was not the intention of the Tariff Board to make these cheap grades containing more than 70 per cent. of Mechanical Wood Pulp to pay a duty of over 100 per cent. Besides, these papers, even if they did pay the protective duty would still sell below the cheapest class of paper manufactured by the Indian mills. We fail to see how any class of papers selling between As. 1-3 to As. 1-8 or As. 1-9 per lb. could affect the Indian papers selling at As. 3-2 per lb.

In their letter to the Government, the Paper Makers' Association have tried to make out that the objects of the protection are being vitiated to a great extent by the import of large quantities of paper under section 113 (A) for purposes other than for the production of newspapers. They seem to have ignored the definite reply they have received from the Tariff Board on this point (see page 9 of the Report of Tariff Board, 1927). It reads, "Although specific mention is made of paper on which newsprint are printed it would appear that it was equally the intention to exempt from the protective duty, other kinds of printing papers containing a high percentage of Mechanical Wood Pulp". It will thus be seen that it was not only newsprint that was exempted from the protective duty but all kinds of papers containing more than 70 per cent. of Mechanical Wood Pulp were exempted from the protective tariff.

Although the present definition of printing paper as given in the Tariff Schedule has not caused any great hardship either on the importer or the paper maker on the other if nevertheless it is the intention of the Government to so define printing paper as to classify non-protected papers under one group we suggest the following amendment:—

Serial No. 112. No. in the Statutory Schedule—197—reading—

"Printing paper (excluding chrome, marble, flint, poster and stereo) in which the Mechanical Wood Pulp amounts to not less than 70 per cent. of the fibre content, glazed or unglazed, white or grey."

should read—

"Printing paper (excluding chrome, marble, flint and stereo) such as newsprint white and coloured, glazed and unglazed, thin or middles and cover paper in which Mechanical Wood Pulp amounts to not less than 70 per cent. of the fibre content."

(2) *Replies to the Questionnaire.*

Dated the 4th July, 1935.

1. Trade usually distinguishes Printing paper from Writing paper according to whether the paper is laid or wove. All Wove-Writing paper is imported in India as China Paper or Indian Account Book Paper. All other Writing papers are usually laid. Printing paper is distinguished from other varieties of paper by the fact that Printing Paper is almost exclusively used for Printing purposes, and as such is easily distinguished from other classes of paper, which may some times be printed upon, but which have a definite and distinguishable other purpose, for example, Kraft paper, Sulphite paper, Manilla Envelope paper, may all the printed upon, but that does not make them to be called Printing papers, and they continue to be classified under the heading of Wrapping papers.

We would define Printing paper as that grade of paper which can be used for Printing Books, Periodicals, Magazines, Catalogues, and similar grades of publication. If this definition of Printing paper is accepted, all grades such as M. G. Pressings, M. F. Cover papers, Wrapping papers, etc., which because they are sometimes printed upon, are erroneously considered as Printing papers by the Customs Authorities, will cease to be regarded as Printing papers, and they will be classified correctly under proper heading of Wrapping papers. It is absolutely wrong on the part of the Customs Authorities to overlook the main use of a particular grade with an idea to Government Revenue to assess such grades as Printing paper for higher duty merely because a small percentage was found by them to be printed upon.

2. In our reply to question No. 1, we have suggested definition of Printing paper as a paper that can be used for Printing Books, Periodicals, Magazines, etc., etc. In our opinion the above is a correct definition of Printing paper, and we cannot think of any other definition which will more clearly convey the information required by you.

In the Printing Presses in India every kind of printing work is undertaken and it will be difficult to enumerate the different kind of work undertaken in India. In general all printing work taken by any printer is usually divided in two classes (1) Book Work, and (2) Job Work. Under Book work comes the printing of Books, Magazines, Periodicals, Time-tables, etc., and under Job Work comes the printing of Letter-heads, Account Books, and all other sundry printings, such as handbills, advertising, and other kinds of printings too numerous to mention.

For Book Work the classes of paper generally used, are wood-free printings, which may be mill-finish or Super Calendered, Imitation Art paper, Antique laid, and Antique wove, Art paper coated on a body of paper which may be mechanical or wood-free Glazed News white and coloured, Unglazed News white and coloured. For Job work, the printer generally uses Bank and Bond paper, Ledger paper, Creamlaid writing paper, Art paper Imitation Art white and coloured, and almost all the grades of papers that are available in the market, inclusive even those papers which are classified under wrapping papers, for even these must needs be printed for advertisement before they are used for wrapping upon.

As regards various grades of paper which serve more than one particular purpose, we have already stated that any one paper can be used for any other purpose, and as such it will be difficult to single out instance when practically any one grade from any one class may be used under a different class.

3. Newsprint may be defined as paper consisting mostly of ground wood pulp, which amount from 65 to 80 per cent. of ground wood pulp, the balance being unbleached sulphite paper, soft sized and machine finished used for various printing purposes. In India newsprint is imported in various sizes and weights. It is imported both glazed and unglazed as also white and coloured.

Newsprint is used for various purposes other than the printing of newspapers. It is used in printing of books, pamphlets, handbills, price lists, posters, cinema tickets, cheap literature, etc., etc., in fact for any class of printing where permanancy is not at issue.

4. So far as Wood-free Creamlaids are concerned as a large bulk of these papers is required for the manufacture of exercise note books, the Indian Mills have hardly any competition from foreign import. In this grade they enjoy the entire monopoly of this business. The small quantities, however, of foreign creamlaids which are imported in India are coming to meet the demands of consumers who require a better grade of paper and with whom unlike the large consumers of Indian Creamlaids who use exercise notebooks, it is not so much the price, but the quality that is of prime consideration.

The other indigenous paper which is largely manufactured by the Indian Mills, is Wood-free printing. In this grade although the Indian Mills are getting a large percentage of the business they have not been able to capture the market as they have done in the case of wood-free creamlaid, on account of the fact that their deliveries to the indentors have been far from satisfactory. During the movement of 1932-33 most of the publishers refused to use Foreign printings, and placed their order with the Indian Mills from patriotic motives. They were paying practically the same price, or about 2 to 3 per cent. lower for Indian paper, inspite of the fact that the Foreign printings were better in quality by more than 10 to 15 per cent. These publishers, however, got fed up with the inferior supplies made to them by the Indian Mills, with the result that they have gone over on the Foreign printing to a certain extent. The chief defect, as we understand with the Indian Printing, is, that in the first instance no two deliveries of theirs are alike, and secondly very little care is taken by the Indian Manufacturers to render satisfaction to the customers. Often times, in a ream of paper there will be a number of sheets not up to the standard size, with the result that the printer experiences a lot of difficulty in printing. In spite of these defects the imports of foreign printings are negligible considering quantities manufactured by the Indian Mills.

As regards Banks and Bond papers manufactured by the Indian Mills, their quality has never come up even to the cheapest grade coming from Europe. We believe, however, that the Indian Mill business in banks and Bonds must be as much as the business done in foreign banks and bond papers.

5. The exemption of printing papers containing more than 70 per cent, Mechanical Wood Pulp from the Protective Duty, to our knowledge has not caused any harm to the Indian industry, on the contrary year after year, Indian Mills are producing more and more quantities and are always improving on the sales of the previous years. That they have not been affected, will be evident from the following table which will give you the dividends made by these Indian Mills from 1926 to 1934:—

TABLE.
Dividends per cent. for Year.

	Bengal Paper Mills.	Titaghur Paper Mills.
1926	.	7½
1927	.	12½
1928	.	17½
1929	.	20
1930	.	20
1931	.	35 & 34½
1932	.	45 & 45½
1933	.	45 & 50
1934	10 for first half-year.	22½ & 25 for half- year ended 30th September.

Besides we have never known of an instance, where a man intending to use a wood-free paper has gone in for a paper containing more than 70 per cent. of Mechanical Wood Pulp. Publishers and other consumers of paper using paper containing more than 70 per cent. of Mechanical Wood Pulp are using that paper because the nature of their publication does not require a better class of paper, and partly because they are unable to incur the expenses which a wood-free printing paper would entail upon them. The above figures of the dividends will support our statement.

Messrs. Bholanath Dutt and Sons, Calcutta.

(1) *Letter dated the 29th June, 1935.*

Re CLASSIFICATION OF PRINTING AND WRITING PAPER.

In compliance to the Government Resolution No. 202-T. (1), dated the 25th May 1935, we beg to submit our views as under:—

The use of paper in India was in very crude form and on a limited scale.

The modern method of paper industry was unknown in India before the European began to import paper into this country. Both the import of paper and later on the manufacture of paper of India have been introduced by the Europeans. And consequently the system of its industry and classification of paper, etc., have been followed on the same lines as are in vogue in Europe.

As appears from the resolution of the Government the intention is to make a demarcation between writing and printing to give effect to Legislature's intention under the Bamboo Paper Industry (Protection) Act, 1932.

It is now necessary therefore to dwell on the subjects, i.e., writing and printing.

Writing.—Writing papers must be smooth and hard sized to fulfil its purposes of bearing writing ink.

The larger varieties of paper fall under this heading, i.e., Ledger paper, Bond, Banks, Cheque, Linen finish, Account Book paper and Typewriting paper. Every variety of writing paper must be wove or laid without alteration in quality. In trade writing papers differ in sizes from that of printing papers.

Printing.—Printing papers are papers either good white or coloured, not too hard-sized, of good surface and fairly opaque. The varieties are Coated paper (both sides and one side), Imitation Art paper, Book Printing (M. F. & S. C.), Antique paper, Offset printing paper, M. G. Litho, Poster paper and Common Mechanical printing (known in the trade as "Newsprint" for producing newspapers, cheap catalogues, cheap novels, cheap writing block and cheap educational and religious books).

Of course the difference between the above two classes of papers is observed and followed in trade practices but in actual use of the papers it is sometimes non-existent. A paper manufacturer or a paper merchant can easily distinguish them but it is often found that writing papers are used for printing purposes and printing papers are used for writing purposes. In preparing the sample books the local mills have observed the principle of the trade custom by classifying the papers in two different groups.

Although we are in favour of protection considering the present possibilities of local mills and need of the country, we may state here that the opinions expressed by the local mills in their letters to the Government

dated the 9th July 1931 and 25th July, 1932, respectively, were not just and fair. They desired that the Kraft papers, Newsprint and various other grades of papers should be included in the Tariff which are at present non-protective. We have, however, refrained from expressing our views on that matter inasmuch as some of those papers are outside the scope of the present enquiry. We are not aware about their present views in the matter. But we are confident that the present Board would not go into the matter in the present enquiry. All the same we may incidentally state our views against the opinion expressed by the local mills as aforesaid on the particular items mentioned by them.

Machine Glazed Pressing.—This is one-side glazed wrapping paper according to trade. Although the Central Board of Revenue decided that this should be taken as printing paper liable to protective duty, we must say that M. G. Poster paper is a printing paper and was left outside the Tariff on the ground that M. G. paper is not made in India and on the same ground this also should remain outside the Tariff.

Cartridge Paper.—This is used principally for producing cheap drawing books for school boys. This is outside the Tariff. Although we admit that the mills are producing the said paper but this is neither a writing nor a printing paper. Drawing books are regularly imported free of duty and if this non-protective paper is brought within the Tariff the result will be that the purposes of the Tariff will be ineffective as also the printing industry will be destroyed. It can also be easily proved that the local mills have all along treated the above paper as being classed Miscellaneous and outside writing and printing.

Unglazed Coloured Thin Paper.—We admit that according to trade this is a Printing paper but according to usage it is a wrapping paper. Apart from that it is immaterial whether it is printing or wrapping inasmuch as this paper is imported in such thin substances that it is beyond the scope of manufacture by the local mills. We usually import in substance 10 lbs. Demy and below and it contains fairly good percentage of Mechanical Wood Pulp whereas the local mills cannot manufacture below 12 lbs. Demy. Therefore we suggest that the decision of the Central Board should be confirmed with the slight alteration that Mechanical Coloured papers of less than substance Demy $10\frac{1}{4}$ lbs. be outside the protective duty.

Mechanical Printings or Newsprint.—Enough was discussed about this class of paper in each enquiry. The Indian Mills confessed that this class of paper is not competing with their manufacture. Further they gave the price of the Mechanical Pulp £6 c.i.f. Indian Ports per ton, in their letter of 25th July, 1932, to the Secretary to the Government of India. And it is a fact that finished newsprint made and suitably packed for Exports, out of this cheap pulp added with some sulphite pulp of higher cost can be had at £10 per ton c.i.f. Calcutta. Therefore it is evident that the cost of converting pulp into paper is between £2 to £3 which these local mills cannot dream of. Therefore we do not think it necessary to argue further about justification of excluding this class from the protection and reducing the percentage of Mechanical Pulp to 65 per cent. as it was done in the first enquiry and also excluding those Mechanical Printings substance of which is below $10\frac{1}{4}$ lbs. Demy.

Coated Papers.—As there is no machinery in India for producing Coated paper, all sorts of Coated papers whether both side or one side, should be excluded like Chromo and Flint. Chromo paper is nothing but one side coated printing. When one side coated paper is outside Tariff, it is strange, why both side coated will remain within the Tariff.

Duplicator Paper.—The suggestion of the local mills of this paper being printing paper cannot be accepted as this is absorbent paper and should be classed as absorbent paper like Blotting paper.

Cover Paper.—We cannot accept this as a printing paper, as this is principally used for wrapping the inside books, photographs, etc. And according to trade it is a different class by itself (neither printing nor

writing). Therefore in principle it would be outside the Tariff. If the Board decides otherwise we may suggest that the Cover paper containing not less than 70 per cent. Mechanical Wood Pulp should be outside the Tariff.

Pulp Board and Blotting Paper.—Only one class is made by the local mills but various other classes are imported and as this is neither printing nor writing the scope of the Tariff should not be unnecessarily extended.

We have been importing paper of all kinds from Europe and other countries and also dealing in all kinds of paper manufactured by the local mills on a very big scale and consequently we are in a position to express our views and give suggestion from all points of views. The suggestions are that paper should be made cheap in this country. That is very much necessary from the point of view of spreading education and also other causes. From the same point of view and in the interest of the country the local mills should reduce the prices of paper. We also suggest that no taxes should be imposed on the kinds of paper which are not being or cannot be manufactured by the local mills. In our opinion the following classification for Tariff purposes would be reasonable:—

Import Tariff Schedule.

Printing and Writings (excluding mechanical quality in which mechanical pulp contents is not less than 65 per cent. of total fibre, Coated papers one or both sides, M. G. Pressing and Poster papers and thin papers in substance of $10\frac{1}{4}$ lbs. Demy and below)—As. 1-3 per lb. (protective).

All other sorts (excluding Mechanical printings or writings papers in which M. P. contains not less than 65 per cent. of total fibre) including Boards, articles made of paper and paper mâché—Revenue Duty 30 per cent.—Preferential Duty 20 per cent.

Mechanical printing or writing in which Mechanical Wood Pulp is 65 per cent. or more of the fibre contents, and thin papers in substances not more than $10\frac{1}{4}$ lbs. Demy—25 per cent.

(2) *Copy of letter dated the 10th July, 1935.*

Your letter No. 419, dated the 22nd June, addressed to us was posted from Bombay on the 5th July, has reached us on the 8th, so we hasten to enclose herewith our replies in brief together with five spare copies in connection with enquiry with the classification of paper for Tariff purpose.

Prospectus* of Oji Paper Manufacturing Company, Limited, Tokyo, is also sent herewith as referred in answer of the questionnaire 3.

Enclosure.

1. In trade practice one in the trade distinguishes Printing paper from Writing paper and other varieties by exercising his experience. Sometimes, just at a glance, in some cases by feeling the paper between the fingers, by tearing a little or by touching the paper with the tongue, and in case of Coated paper by rubbing a silver coin over the paper and so on.

In India, Indian-made White Printing are used both for Printing and Writing. Common imported Writing papers and all sorts of Indian made Writing papers are used elaborately for Printing purposes. Various classes of Wrapping papers are printed with the names of the article and that of the producers of the articles they are packed with. Book covers are printed on the frontispiece with the title of the books on cover papers, M. G. Pressing on M. G. Manilla.

* Not printed.

2. In our representation we have already stated that here in India, the trade practice is nothing but what is in vogue in Great Britain. Few years back when Indian Paper Makers' Association produced a Pamphlet on trade custom they copied almost exactly the trade practice of Great Britain. As a matter of fact a definition of any kind of paper and the trade names of any class of paper are practically the same as they are defined in Great Britain and United States of America. So reliance to be given on the definition used in those Countries. According to Trade Custom we will define—The Printing Paper is a paper of large varieties with different finish from rough Antique paper to highly glazed Coated Art paper, fairly loaded not too "Hard sized" may be White or Coloured, Laid or Wove in case of Antique and Wove for other varieties of different standard printing sizes, or of size according to the special requirement of the Publishers. These papers are made of for the News grade with the mixture of high percentage of Mechanical Wood Pulp and some Sulphite Pulp and for better grades with Sulphite or Soda Chemical Wood Pulp, Grass, Esparto, Rag, etc.

In India all class of Printings are done save and except the class called Collotype Printing. The following are the Principal classes—Common Letter Printing, Halftone Printing, Common Lithograph Offset Printing, Photo Offset Printing, Copper-Plate Printing, Photogravure or Intaglio.

For common letter press printing all class of papers are used. For Halftone Block, a Super Calendered finish paper, Art paper, Imitation Art papers are used. Lithographic Printing is produced on one side coated Chromo paper, one side glazed Poster and non-stretchable Litho papers. In Offset Printing a special "Hard sized" rough surfaced paper are specially used, besides M. G. Poster and other non-stretchable Litho paper. In copper-plate printing process thick hard rough papers are used. In Photogravure printing—all class of thick papers rough or Glazed is used.

3. Newsprinting is the cheapest class of printing paper. It is used where the use is of ephemeral nature. This is elaborately used in producing daily, weekly or periodically issued news papers, in producing cheap Novels, Religious Books, Primary Educational Books, Catalogues, Hand Bills, Placards. The thin Newsprintings are used for Wrapping various things and also cheap substitute for Cigarette paper. It is made with high percentage of Mechanical Wood Pulp with mixtures of Chemical Sulphite Wood Pulp. Like Sawdust, Mechanical Pulps cannot felt into a paper sheet and for this particular reason they are mixed with Sulphite Pulps. In thick Newsprinting qualities the proportions of Mechanical Pulp are 60 to 80 per cent., but in case of thinner paper the proportion of Mechanical Pulp usually lower than the thicks. In thin Newsprintings, in substance of 25 grams the proportion is as low as 50 per cent. and the balance is Sulphite Wood Pulp. We have come across a Pamphlet issued by a Japanese Paper Mill which gives a clear account of the use of high proportion of Newsprinting paper in that country in comparison to the printing and writing paper.

This cheap class of printing paper is greatly needed in this country for spreading education at cheap cost. This class of paper does not compete with the indigenous production. The dry Pulp costs about Rs. 70 a ton and Wet Pulp is about Rs. 30 a ton and the finish Newsprinting of common grade costing about Rs. 130 a ton c.i.f. This Mechanical Pulp being loaded and super Calendered produces a highly finished paper which takes impression of fine screen Halftone Blocks and which helps the country with publication of pictorial News papers and Educational books. The Board should see that this cheap class should not be taxed unnecessarily. Therefore, we suggest that the thin newsprint as thin as in substance Deny 10 $\frac{1}{4}$ lbs. and below should be allowed to pass on the revenue duty only, even they are containing less percentage of Mechanical Pulp than the thicker grades and making the contents of Wood Pulp for thicker weights to 65 per cent. The following are the different varieties of Newsprintings:—

- (a) Thin Unglazed Coloured and thin White News.
- (b) White News, M. F., Unglazed and S. C.

(c) Super Calendered M. F. and Unglazed Newsprinting.

(d) Coloured and White Middles.

4. It is very difficult to answer this question as production of the Local Mills is very limited. Neither their production can be used where cheap papers as Newsprinting are required, nor where better grades of printings and writings containing Esparto and Rag papers are necessary. The only class of imported papers which clash with the indigenous production are— Sulphite printings and writings.

5. To answer this question we must say that owing to increase of the use of papers the present resources of the Indian Mills cannot meet with the need of the country, it needs the restart of the Punjab Paper Mills immediately, because the Mills take very long time now-a-days to manufacture any paper is needed to-day. And in some cases the consumers after loosing patience to wait longer, uses foreign papers against the indigenous. From the above facts it is evident that it has caused any harm to the indigenous industry.

6. About the present testing method of the Customs we may say that it is better than worse. Because in previous method we had to loose thousands of rupees by paying penalties, by extra duties and by paying big wharfage. All these sufferings were due to the faulty testing method. The present method we cannot say is perfect, for the result of the test differs by re-test and out of same making in different shipments, result differs. The results of Calcutta Customs are sometimes corrected by the Government Lahore Test House.

Unfortunately we cannot suggest a better method save and except drawing the attention of the Board to the following suggestion:—

- (a) Thin Newsprint (which cannot be manufactured by the Local Mills and which do not clash with their production) should be passed as unprotective paper.
- (b) All Coated papers should be passed as Unprotective.
- (c) All M. G. papers produced on Yanki or Single Cylinder whether printing or other should remain outside the Tariff.
- (d) The margin of possible errors in estimating the Mechanical Wood Pulp to be enlarged.

In the above suggestions there will be less congestion in the Custom House for testing the papers and there will be a great relief to the Importers to suffer from the wharfage due to the long time taken for test, and on the other hand there will be no room for grievances from the indigenous producers' side. The importer will know when he places an order the rate of duty he will have to pay.

7. This we think is meant for Indian Paper Makcrs.

8. (a) Sulphite printing paper M. F. and S. C. these are the printing paper lines which compete with Indian Mills' papers and these papers are "protected", and they are imported usually from Great Britain, Scandinavia and Central Europe.

(b) Below please find the landed cost price of the printing papers referred above.

	Great Britain.	Scandinavia.	Central Europe.
	Rs.	Rs.	Rs.
1931-32	570	520
1932-33	530	505
1933-34	505	460
1934-35	505	460

Hereunder please find the c.i.f. prices landing and other charges and duties for different class of printing papers.

Quality.	Price c.i.f.	Duty.	Landing and other charges.
	Rs.	Rs.	Rs. A.
<i>(a) Coated Papers—</i>			
(i) One side Mechanical . .	340	38	5 8
(ii) One side Woodfree . .	410	175	5 8
(iii) English Esparto both sides	582	175	5 8
(iv) Wood-free Body both sides	418	175	5 8
(v) Mechanical Both sides .	348	38	5 8
(b) Feather-weight Antique (English) . .	370	175	5 8
(c) M. F. and S. C. . . .	317	175	5 8
(d) M. G. Poster	248	83	5 8
(e) Newsprinting M. F. and S. C. . . .	140	38	5 8
(f) Mechanical Unglazed and Glazed	162 to 173	38	5 8
(g) News White (thin)	200	38	5 8
(h) Unglazed Coloured News (thin)	225	64	5 8

9. We suggest the following classification of papers for Tariff purposes:—

Printing and Writings (excluding mechanical quality in which mechanical pulp contents is not less than 65 per cent. of total fibre, coated papers one or both sides, M. G. Pressing and Poster papers and thin papers in substance of $10\frac{1}{2}$ lbs. Demy and below)—As. 1-3 per lb. protective.

All other sorts (excluding Mechanical printings or Writings papers in which M. F. contains not less than 65 per cent. of total fibre) including Boards, articles made of paper and paper mâché—Revenue Duty 30 per cent.—Preferential Duty 20 per cent.

Mechanical printing or writing in which Mechanical Wood Pulp is 65 per cent. or more of the fibre contents and thin papers in substance not more than $10\frac{1}{2}$ lbs. demy—25 per cent.

(3) Letter No. nil, dated the 29th July, 1935.

At the informal meeting on the 27th instant, with our representative Mr. Raghunath Dutt, he was asked to point out a demarcating line between an ordinary "Paper" and a "Board", and we fear the answer was not complete. The complete answer is this: "Board is a class of thick paper. The cheap characteristics of this class is rigidity or stiffness". There is no demarcating line between ordinary class of paper and Board. Art paper

In $20'' \times 30''$ —80 lbs. or $18'' \times 22''$ —52 lbs. will be called "Paper", but a paper of thinner weight say $18'' \times 22''$ —50 lbs. may be called a "Board". Here in India special-made thick paper having some characteristic of Board in substance over $18'' \times 22''$ —44 lbs. is called Board. In England it is measured by caliper the thinnest Board is 2" sheet Board and measures .0085 inch. In Germany it is from 180 grams and up.

(4) *Letter No. nil, dated the 30th July, 1935.*

Yesterday afternoon when the Paper Makers' Association were giving evidence to the Board our Mr. Dutt was present there as visitor. In course of evidences Mr. Cameron, of Messrs. Indian Paper Pulp Company, Limited, raised a point about importation of 7,000 tons of paper annually as non-protective. The actual thing is that Newsprint—Coloured Glazed or Unglazed, containing not less than 70 per cent. Mechanical Wood Pulp is passed at the market value and not at the fixed Tariff rate at As. 1-1 per lb. like white or grey, *vide* Tariff Schedule 44 (2). This quality comprises—Unglazed Coloured News, Glazed Coloured News, Unglazed Coloured Middles, Thin Coloured News, Bus Ticket Paper, etc. We hope the Board may get this be confirmed by the Collector of Customs. This class of paper not being made in India is not clashing with the local mills, and therefore they should not be anxious about this importation.

(5) *Letter dated the 1st August, 1935, from Messrs. Bholanath Dutt and Sons, Calcutta.*

We are thankful for your kindly supplying us with a copy of the letter of Indian Paper Makers' Association, dated the 27th July, 1935, in which we notice that reference has been made of a letter of ours dated the 3rd April, 1935, addressed to them. We regret that the Mills' Association is trying to prejudice the Board by using the said letter alleging that the mechanical 6 lbs. is competing with theirs and our letter supports that statement.

If the Board kindly go through the said letter of ours it will be noticed in the first line that the description of paper given by us is "White Printing" and not "Writing". But the Mills' Association never denied that quality being called as printing, although they are not trying to put that as writing and secondly no mention has been made by us about the competition, but only reference has been made about *cheapness of the quality*, as that quality contains only 70 per cent. Mechanical Wood Pulp. To clear away all doubts whether this quality really competes with theirs, we are enclosing herewith a copy of a letter addressed to us by the Titaghur Paper Mills Company, Limited, one of the members of the Indian Paper Makers' Association from which the Board will understand that no anxiety was shown for possible competition but rather it showed a definite denial about the possibility of any such thing.

From the very word used in the trade as soft sized and hard sized printing paper, we hope the Board will be convinced that the definition of printing paper is not restricted to "soft size" only. In this connection we also refer the Indian custom of manufacturing hard sized printing paper by the Indian Mills and their acceptance of hard sized cartridge as printing disregarding their own definition and we refer the paper sample book of O. Chr. Olsen & Co., Gothenburg, submitted by us to the Board containing the samples of "hard sized" mechanical printings.

We hope the Board will give a fair consideration about the classification of this class of paper.

Enclosure.

Letter dated the 1st March, 1935, from the Titaghur Paper Mills Company, Limited, Calcutta, to Messrs. Bholanath Dutt and Sons, Calcutta.

We are in receipt of your letter of the 23rd ultimo enclosing a sample of mechanical 6 lbs. sold in the market and have to mention that the quality is in no way to be compared with Angel Cream Laid 6 lbs. We do not think that the sale of this paper can affect the sale of Angel 6 lbs.

We are, however, instructing the Mills to supply you with retree Cream Laid 6 lbs. paper as and when available.

Messrs. Ghose Brothers and Company, Rangoon.

Letter dated the 4th July, 1935.

We are in receipt of your letter No. 419, Tariff Board, dated the 22nd June, 1935, together with a copy of the questionnaire relating to the classification of paper, for Tariff purposes. As requested we are sending you our replies thereto with five spare copies, which we believe may be useful to the Board while discussing on the subject under reference.

1. We propose to say that India as a rule distinguishes Writing from Printing paper by the laid lines which appear on the former. This is however incorrect. The term Writing paper applies to any paper which is sufficiently "sized" to stand pen and ink writing. Thus the expression cream-wove, which is in reality a hard sized printing paper, made from woods esparto or rag or a mixture of them is known as a writing.

For cheapness sake, however, mechanical papers are now being hard sized to stand writing, and although not termed writing papers, are used for that purpose, chiefly for Exercise Books. Therefore to penalise any paper, because it shows the laid lines, whether mechanical or not at A.s. 1-3 is incorrect, because precisely the same quality can come in without the laid lines on the basis of 30 per cent. if it contains over 70 per cent. mechanical.

2. Printing paper is applied to all classes used for printing purposes.

- (1) Unglazed News.
- (2) Glazed News.
- (3) M. F. Wood free printing.
- (4) Super calendered printing.
- (5) M. F. Mechanical printing.
- (6) Litho printing.
- (7) Account book printing.
- (8) Imitation art paper.

But when hard sized, Nos. 3, 5 and 7 are used also for writing purposes.

3. Newsprint should be applied to all classes of unglazed and all papers termed glazed newsprint. Some newspapers favour purely unglazed, but in the majority of cases choose glazed newsprinting for picture works. Indian made printing is unsuitable for this, as block work shows through on the other side. Glazed news has a more or less opaque effect.

4. In Burnia Tariff has kept out all English M. F. Papers chiefly used for magazine works. The only imports are mechanical papers. Such are used for newspapers, handbills, wrappings, Bioscopes advertisements, etc., etc.

The trade for M. F. paper is already in the hands of the Indian mills. As they cannot produce mechanical papers, there can be no question of their requiring protections, more particularly as at present, are able to sell the capacity of their output with the existing Tariff.

5. As stated above the Indian mills are full to the capacity, if further protection is granted, they could not cater for the demand. Further the fact that they are able to pay 40 per cent. dividend, shows that the existing Tariff has given them more than a working margin. Further protections would cause harm to the users of cheap papers and certainly not to the Indian mills.

6. *Method of testing mechanical fibre content of papers.*—Paper testing is a very difficult and complex problem, and it is very hard for the ordinary examiners to solve it without having sound experience in the manufacture of papers, and special experience in the paper testing laboratory. Moreover it is absolutely impossible for the chemical examiners of the Indian Customs Laboratory to test a sheet of paper with Mechanical Wood Pulp, as they fail to test a sheet with wood pulp according to the strict procedure of paper testing with special observation to the use of Polarised light and properly equipped microscope.

Papers are generally manufactured with various wood pulps, and it is very hard for the ordinary examiners of meagre knowledge in the process of paper manufacture to obtain the accurate and concordant results of fibre content, on the ground that the application of different chemicals gives different results at the time of testing, provided proper procedure is not applied to the sheet in the laboratory.

Another important point emerges from long series of experiments, namely, that the degree of resin or sizing has a definite influence upon the results obtained from chemical testing for determination of the proportions of mechanical wood content of any paper. That this factor has doubtless led to misleading results from tests made by the Indian Customs examiners. That this error is obtainable only by a skilled observer engaged in the work daily. Under the most equitable and reasonable circumstances stated above, the Indian Customs Officials should accept affidavits legally sworn by manufacturers as proof of actual proportion of fibre content of any paper or a latitude of 10 per cent. should be allowed in Government tests, for we do assert it is impossible for any chemical examiner to declare that a paper does not contain 70 per cent. Mechanical Wood Pulp, but 68 per cent. Mechanical Wood Pulp.

7. As we have no up-to-date information at hand, please refer to Indian mills for particulars.

8. None except M. F. Wood free printings.

9. Bearing in mind that the mills are charging Rs. 450 per ton for paper, which the British mills can make for Rs. 300 c.i.f. Indian Port, coupled with the fact that they can declare dividend of 40 per cent. representing such revenue lost to the Government we suggest that the surplus 3 pies be withdrawn of that the duty on all papers under 70 per cent. mechanical should be leviable at Anna 1 per lb.

Papers like M. G. Pressing should come in *ad valorem*, and mechanical with cream-laid lines should be treated according to mechanical content.

Messrs. J. N. Singh and Company, Limited, Delhi.

Letter dated the 8th July, 1935.

With reference to your letter No. 419, dated the 22nd June, 1935, we beg to submit our reply to the questionnaire in connection with your enquiry into the classification of paper for tariff purpose.

Enclosure.

REPLY TO QUESTIONNAIRE OF THE TARIFF BOARD, DATED THE 22ND JUNE, 1935.

1. (a) In trade practice "writing paper" as such is not current at all. A paper merchant or stationer does not order anything in the name of "writing" paper. Certain names and sizes have come to be associated with paper fit for writing purposes. They are known as "Foolscap Bank-Post", Account Book and "French". The first is the most common and its size is $13\frac{1}{4}'' \times 16\frac{1}{2}''$ and it is laid. When a retail or a wholesale merchant or a consumer asks for "Foolscap, Account Book, Bank-Post or French" paper the paper seller understands that the paper is ultimately required for writing purposes. All these papers are hard sized.

(b) "*Printing*" paper.—This indicates a white paper used for printing of books and is made of Chemical pulp. It is not hard sized. The term "printing paper" does not include all the varieties which are generally used for printing purposes. When a consumer or merchant wants to buy paper for printing he generally uses one of the following terms, according to his requirements—(i) Rough paper, (ii) Glazed paper or printing, (iii) Coloured paper, (iv) Art paper, or (v) Antique. Rough indicates a quality which is known as news in English and is made of Mechanical Wood Pulp. Glazed or "printing" indicates a paper which is distinctly whiter and smoother and is a wood-free paper. "Coloured" is self-explanatory. "Art" is a coated paper known for its shining and glossy surface. "Antique" indicates a wood-free paper with a rough surface.

(c) Other varieties of paper are known as "Packing", "Brown", "Patangi", or "Tissue", "Abri" and other special papers such as Qalaidar, Chhint or Wall paper, Badami, Poster, Hand-made, etc., etc.

(d) Technically printing paper is distinguished from Writing paper as being unsized or half sized white paper. In trade usage it is distinguished from Foolscap paper by its sizes and being Wove instead of Laid. Account Book Papers are in sizes peculiar to them and the bank post is also current in a special size, both these are distinguished for their hardness and rattle. Printing paper is distinguished from "French" paper by the small size of the latter and its make up in folded half ream packets. There is no similarity between printing on the one hand and packing on other class of paper and therefore distinction is simple.

(e) Hand Made Paper is used both for writing and printing purposes. Letter or Note paper is made of Hand Made paper and Currency Notes, Insurance Policies, etc., are printed on Hand Made paper. Tissue paper serve wrapping purposes as well as decorative purposes, flower making, kite making; coloured paper is used for printing of handbills posters as well as for decorating purposes. M. G. Poster is used for printing and wrapping M. G. Pressing for cover and wrapping.

2. Every class of paper whether made for writing, wrapping, packing or decorating all papers for special purposes such as Blotting, Filter, etc., can be and are printed. Let alone paper the progress of art of printing is such that cloth, metal, wood, rubber and such diverse things are printed. It is, therefore, impossible to strictly define or confine the words printing paper. As stated in the answer to question (1) there are several varieties of paper fit for printing. But the term "Printing paper" is generally understood as indicating a wood-free white paper used for printing of books. A suitable definition of printing paper would be "Wood-free paper half sized made of Chemical pulp".

All kinds of printing work are done in India. We may mention as important—Newspaper, Letter Press, Lithography, Picture, Art, Metal Printing, Cloth Printing, Plate Printing and Die Printing.

For Newspaper printing "News" paper is used for Letter Press mostly wood-free papers are used but all varieties can be and are to a small extent used. Lithography work (outside News papers printed in Urdu) is done on "Litho" paper or "Map" paper or "Art" paper. Picture and

Art are both printed on Art papers. Plate printing is done on Bank papers. Invitation cards, and Hand made papers, Die printing is done on Bank papers, and Envelopes, and Hand made papers.

Hand made paper is used for Plate and Die Printing, also on Letter Press. "News" is used for printing on Letter Press, and Lithographies, similarly wood-free papers commonly called printing papers are also used for both letter press and Litho Printing; Bank Papers are used for Die, Plate, ordinary letter press and Litho printing.

3. Newsprint is a white unsized paper made of Mechanical Wood Pulp with a small percentage not exceeding 35 per cent. of sulphite pulp.

There are no varieties in Newsprint unless the graduation in finish of the surface or in its thickness or shade can be called.

There are (1) M. F. Newsprint, (2) S. C. Newsprint, (3) White Newsprint, (4) Tinted Newsprint, and (5) Thin News.

Newsprint is mostly used for printing newspapers—dailies, weeklies and monthlies.

A very small quantity is used for printing cheap editions of Holi Quran, Arabic Primer or Qaida for Mohammediyan boys and girls, and also Ramayan.

Thin news are used for printing cheap folk lores, and cheap novels.

4. As far as printing of Newspapers is concerned the proportion of newsprint to indigenous paper is All : nil.

Newsprint as a class of paper stands by itself and is not used against the indigenous paper.

As far as Wood-free papers for printing, writing purposes are concerned, the imported paper is used by those who want quality and the indigenous paper is used by all with whom economy is the main consideration. Imported Wood-free printings are used in the ratio of 1 to 5 of Indian made.

As far as the needs of students and officers are concerned for writing purposes the Indian paper holds the field and the import of such papers is vanishing. Only those papers are imported which are superior in quality and variety.

The reason is that in the West the standard of stationery including writing paper is very much higher than in India and the quantity of stationery and writing paper consumed in the West is simply colossal compared to India. There is therefore produced in the West generally and in England particularly a very much larger variety and a very much higher quality of writing paper. The West offers an endless variety and vastly superior qualities and import of this class of paper is bound to maintain itself in spite of Protective duty.

In the field of Wrapping and Packing papers the imported papers are very much stronger and more economical. The use of packing paper in the West is very extensive and therefore specialized papers are produced which are not only suitable but also economical. The abject poverty of the masses of India will for years to come check the growth of consumption of packing paper and therefore it is not economical to produce these papers in India.

5. The Act gives protection to Bamboo paper. Bamboo paper is made by chemical process and the paper is technically known as sulphite or wood-free paper. This is a distinctly whiter and superior paper to any thing which can come under the category of paper containing 70 per cent. Mechanical Wood Pulp. The latter is a cheap paper of ephemeral nature. It changes its colour very quickly. Indian made printing is a vastly better paper. There is no comparison between the two. Not only has the exemption of 70 per cent. Mechanical Wood Pulp paper, done no serious harm but it has done no harm at all. The production of Indian paper has increased, and its contemporary of foreign origin namely the imported wood-free paper has gone down. In 1925 the import of wood-free printing papers was over 11,000 tons a year. Notwithstanding the very large rise of consumption of paper in India the import of wood-free papers in 1935 was below 5,000 tons. The full significance of this will be realized from the follow-

ing figures. Total of printing paper based on Government statistics—imported during 3 years ending 1925 the last non-protection year was 68,250 tons giving an yearly average of 22,750 tons. Total of printing papers based on Government statistics for 3 years ending March, 1935, is 110,550 tons giving an average of 36,850 tons a year. This indicates a rise in consumption of 14,000 tons or 63 per cent. over the pre-protection period. According to this the import of wood-free printing paper ought to have risen from 11,000 to 18,000 tons. Instead of that it has gone down to below 5,000 tons. The import has sunk and is dwindling and the Indian production has increased which clearly proves that no harm was done to the Indian Industry. We register our protest against the fixing of 70 per cent. or 65 per cent. as the minimum mechanical contents necessary to serve exemption from Protection duty. Apparently this was based on the "Newsprint" which is only one variety out of several under mechanical printing papers. This limit has caused many hardships and has brought those papers within the zone of Protective duty which the Indian mills cannot make. We ourselves had cases wherein the customs at one place assessed the paper on the Revenue basis and at the other port as containing less than 65 per cent. Mechanical Wood Pulp and therefore liable to Protective Duty; although both shipments come by the same steamer and were out of one making.

In our opinion papers containing not less than 50 per cent. Mechanical Wood Pulp should be exempted from Protective Duty. These mechanical papers do not compete with Indian manufacture. It is obvious that real competition for the mills comes from Wood-free imported papers which are liable to the duty of As. 1-3. They have ample scope for expansion without touching papers which they cannot make.

The most appropriate answer to this question is perhaps the order book of the mills and a reference to their Profits and share quotation.

6. As far as we are aware the present method adopted by the Customs Authorities is mostly yielding satisfactory results. We are, however, trying to obtain a better method and if successful will submit our proposal later on.

7. Brown, Wood-free printing, Wood-free Laid, Foolscap, Bank papers, Drawing papers, Indian Account Book papers, Duplicating papers, Ivory Printing paper, Ledger paper, and Title papers are produced in India. The list will be complete from the Indian Mills themselves.

8. (a) Imported Wood-free Printing Account Book paper, Foolscap and Bank compete with Indian Made papers.

Wood-free printings come from United Kingdom, Norway, Holland, and Japan, about 2,000 tons. Account Book paper from Norway and Austria. Cream Laid Foolscap come from United Kingdom and Norway. Bank paper comes from United Kingdom, United States of America, Norway, and Finland.

(b) Printing and other papers have entered the country approximately at:—

	C.I.F.	Duty.	Landing.	Railway Freight.	Total.	Price of Indian paper.
						As. P.
Japanese	1 6	1 3	0 4	0 5	3 2½	3 2
European Printing and Account Book.	1 11½	1 3	0 4	0 5	3 8	3 2
Foolscap	1 11½	1 3	0 4	0 5	3 8	3 3
Bank	2 1½	1 3	0 4	0 5	3 10½	3 9

9. Before answering this question, we wish to state that the general feeling in the trade is that the protection granted to the Industries has

given immense profits to Indian Mills. The general feeling appears to be that the legislature intended to give protection to Bamboo Pulp Industry only. But only small quantity of paper has been manufactured by the mills from the Bamboo Pulps and therefore this act has proved a failure. How far this general feeling is correct or not we are unable to say. It is the Indian Mills and the Indian Mills alone who can definitely state the quantity of Bamboo Pulps manufactured by them and used by them. It is the Tariff Board and the Government alone that can make enquiries by the inspection of their books and ascertain the quantity of bamboo pulps as manufactured by them and used by them. So far as a lay man is concerned, and we are one of them in the matter of manufacturing, the position is extremely simple. The Indian Mills are manufacturing about 40,000 tons of paper every year. They are using news waste papers, jute waste rags, grass, and are importing 20,000 tons of pulps from Europe. It is obvious that half of the entire production is made from imported pulp and the remaining half is made from rags, waste jute, waste paper, grass and bamboo pulp, thus only a small portion is made from bamboo pulp. What the exact quantity of bamboo pulp is being used towards the manufacture of the remaining 20,000 pulps can only be ascertained by the Government and the Government then can decide whether the protection granted has been properly used or not. This may be stated that the import of pulp before protection period was almost negligible. After protection was granted began importation of pulp on large scale. But while answering question No. 9 it is our duty to ignore this aspect of the case and leave it to the Government and the legislature.

9. (a) So far as papers containing mechanical pulps are concerned they are newsprint. It is assumed by us that newsprint for the purposes of news papers whether daily, weekly, fortnightly or monthly is beyond the scope of this enquiry. The only question therefore arises that how far newsprint, glazed or unglazed or coloured, is used for any other purpose but the news papers. We have already stated that a very small quantity is used for handbills and religious books. But assuming that this aspect of the case is not accepted as correct and it is alleged that a fair quantity is being used and it must be stopped. The user or the consumer will do his best to use it or consume it. A very large quantity of "news" will be available in the country and the user has merely to arrange with the news papers for the supply of this small quantity. Or in the alternative, the printer has merely to arrange with the newspapers to print the paper in his printing press. The printer and consumer will therefore always get their small quantity. No system of declaration at the customs, no system of licensing to the newspapers can ever control it. The quantity as used by the newspapers is extremely large and there are innumerable Hindi and Urdu papers daily, weekly, fortnightly and monthly. English papers may not care to sell from their stocks and may abide by their declaration or license. But it seems to be impossible to stop all Hindi and Urdu papers from selling their stocks or getting their paper printed in a particular printing press. We fail to understand how the Government can stop this particular small use. In our opinion there will be nothing but chaos and smuggling in the Trade. Let anybody go round Delhi and see how it is possible. We would therefore request that before any scheme of declaration at the customs and certification is introduced, people in actual trade may be consulted. We have got 27 years' experience in India and the firm has got its business houses in Bombay, Delhi, Lahore and Lucknow. We sell paper from Bombay to Benares and from Benares to Delhi and from Dehi to Multan and Rawalpindi. There are in India, only 3 or 4 firms who have first hand knowledge of trade conditions over such a large territory. We submit that no scheme of declaration at customs or certification or licensing can work. The classification therefore so far as papers containing Mechanical Wood Pulp are concerned we submit must remain the same. We submit the following classification:—

Protected.—Printing Paper—uncoated—rough, machine finished or super calendered—white or coloured, weighing not less than 10½ lbs., 500 sheets per

ream 18×22 —500 sheets which does not contain any Mechanical Wood Pulp or which contains less than 50 per cent. of such pulp or which contains 40 per cent. Esparto Grass.

Writing Paper—white or coloured—Ditto.

NOTE.—Specific inclusion or exclusions of disputed papers if any should be made in the above clauses.

Unprotected.—All other sorts.

In the second case the following recommendation is made:—

Unprotected.—Printing paper all sorts Coated and Uncoated and those weighing less than $10\frac{1}{2}$ lbs. per ream 18×22 —500 sheets and all sorts which contain more than 50 per cent. of Mechanical Wood Pulp fibre content, all sorts which contain 40 per cent. Esparto Grass.

Writing paper—Ditto.

It will also be necessary here to specify any particular controversial papers.

All sorts other than printing or writing paper.

Protected.—Printing and Writing Papers—all other sorts not defined above.

Unprotected.—All sorts other than printing and writing. In the second case it will be noted that it is assumed that the Board is dealing only with printing and writing papers and in that case it will not be necessary to specify the multitudinous varieties in which paper is made.

In such cases however it will be very necessary that the Board should see that the definitions are complete in respect to controversial papers so that past difficulties may be avoided.

For example M. G. Pressings should be excluded from Protection.

Cover papers should be not protected and similarly in respect to cartridge and drawing paper.

In particular should the Clauses be worded so as to exclude from protection all classes of paper that are not made in India.

Calcutta Paper Agency, Calcutta.

Letter, dated the 9th July, 1935.

In reply to letter No. 419 of 22nd ultimo (Bombay). We beg to submit our opinion as follows:—

1. Difference between printing and writing papers is very difficult to explain in words as to how they are distinguished. Printing papers are very rough, very smooth, soft or half-sized. Rough papers are used for offsets and some kinds of photographic process work, smooth and soft papers are used for the purpose of reproducing halftone work. Writing papers have got the same nature in some modified form. But writing papers are generally hard-sized and printing papers are smooth, soft or half-sized as are to be found in other countries. But in India, paper both imported and local made, are so sized as to stand writing in ink, and serve both purposes for printing and writing. But there is one thing that sizes are different in the case of printing and writing papers and sometimes they are identical. Also printing papers are usually wove excepting antiques where laid is common. Both wove and laid papers are used for writing purposes. Papers as are made by local mills are very similar in finish both in printing and writing. But the only important difference that can be seen in writing is the absence of degree of "loading" which may be found in printing. All papers can be used as I have stated above for more than one purpose and it is so used here that printing are used for writing, wrapping and *vice versa*. By way of example it may be mentioned here that M. G. Poster is

used for printing, wrapping and envelopes; M. G. Pressing is used as a cover as well as wrapping. So the case with cartridge which is used for drawing purpose and in lighter weights used for envelopes. Kraft paper is used for both purposes—wrapper and envelopes. And as such it cannot be contended that the above examples demonstrate the different uses of the same paper.

2. It is very difficult to give a suitable definition for printing paper. But the only way it can be explained is that the printing paper is rough, very smooth, soft and half-sized as I have already stated above. Regarding the application of the act under the definition of the printing paper the custom authorities have experienced very little difficulty for detailed description of the printing paper. Almost all kinds of printing are undertaken in India. Letterpress, Lithography, both ordinary and offsets, Photolithography, Intaglio process both black and multicoloured, copper plate and Photogravure. Letterpress work can be produced on all classes of paper. Lithography is produced on ordinary printing paper and better jobs require special papers. Some lithography is also done on coated papers, specially made for the purpose. While Photogravure is usually printed on heavily loaded or coated paper according to the purpose for which the finished work is required. But in the case of process works the same demands a highly finished super-calendered art paper both imitation and real.

3. Newsprint containing not less than 70 per cent. Mechanical Wood Pulp fibre content as the case now stands, can be defined as printing paper.

The different uses of Newsprint are as follows:—

- (i) White newsprint (rough M. F. and glazed) in sheets and reels varying from thinnest to thick substance, are used for newspapers, magazines, periodicals, catalogues, religious works, cheap literature. Thinnest papers are used for cigarettes.
- (ii) Thin unglazed coloured of 25 grammes substance mainly used as wrappings and for kites and decorative purposes. A cheap M. G. Paper of similar substance is also used for wrapping and decorative purposes.
- (iii) Glazed tinted paper for catalogues and handbills.

4. Local mills papers are generally used for letterpress works, of course, imported papers are also used for the same as well as other purposes. But imported papers of the newsprint class do not come within the scope covered by local made papers. But in the case of woodfree papers where quality is the prime factor imported papers get the preference. But where price is concerned local made papers are used. Consequently it is a fact that imported papers are not in use in this country against local made papers where special print is not concerned.

5. This question does not arise when local mills are unable to manufacture this quality at competitive prices. Further this quality does not come in the way of any interest with local made papers. This quality as I have said before are generally used for cheap literature, handbills and others of the same kind. Accordingly this exemption has not caused the least harm to local mills. If Local mills have experienced any competition, it is from the protected classes which pay duty of one anna and three pices per lb. Last though not the least this question may be best answered by a reference to the profits made by the local mills—which in our opinion is at the cost of the poor country men. For paper, both of printing and writing, is the only medium of education. So it is essentially necessary that the cost of paper should be as low as possible for cheap paper mean cheap education.

6. This method so far as is known is accurate and satisfactory. But as the paper making is not an accurate and exact science and as such it may vary while making, it is expected that little variation within the prohibited degree should not be taken into account. This little variation sometimes puts the importer to such a position that instead of paying revenue duty

he is assessed on protective duty. In our opinion the only and easy way to accommodate is to enlarge the margin allowed for error. Another suggestion that could be made is to assess the same on invoice value and in that case chemical test could be avoided and thereby protection can adequately be secured.

7. (a) & (b) This question can better be answered by the local mills.

8. The imported qualities that compete with the local mill papers are as follows:—

(a) *Woodfree both M. F., S. C. and tinted S. C. Printing.*—But the latter are not being imported as the local made paper of the same variety are now popular for their price though not for the finish. But another quality called Imitation Art, which is made mainly from "esparto" and has got a very high standard of finish, is comparatively expensive and superior to that of the local made papers and as such it does not compete with the local made of the same name. There are some "writings" of the Indian mills but they are not to be afraid of any competition with imported quality as the prices of the latter are high owing to the protective rate of duty now assessed. The above-named are being imported from Germany, Austria, Scandinavia, United Kingdom and Finland.

It is not practicable to give the figures of import separately for those qualities.

(b) *Woodfree printing M. F. and S. C.*—The difference of price between the above two ranges from Rs. 6-8 to Rs. 13. Calculating each sterling pound at Rs. 13.

C.i.f. prices for British goods in 1931-32 was Rs. 351, duty charges 175, whereas for non-British goods c.i.f. prices were 238, duty charges 175. But since 1932 to 1935 c.i.f. prices of British goods and also of non-British remained almost unchanged ranging from Rs. 312 to Rs. 286, respectively and landing and duty charges are Rs. 6 and Rs. 175 respectively.

Rs. 6-8 to Rs. 16 more than printing in the case of woodfree writings.

9. The last portion of the question namely "so that the protection granted to the industry may not prove inadequate or nugatory". As it is evident that the protection is already in existence and as paper plays a great part in the cause of education in our opinion there should be exclusion of all papers that are not made by Indian mills from tariff and no further protective duty. We support protective duty on papers similar to those prepared by Indian mills, but not on those otherwise that is and needs be imported for spread of education and other necessity.

Messrs. Purna Chandra Kundu and Sons, Calcutta.

(1) Letter dated the 9th July, 1935.

In view of the resolution of the Commerce Department in connection with the grant of protection to the Paper and Paper Pulp Industries, the Government of India have decided to ask the Tariff Board to examine the question of Classification of Paper for Tariff purposes, but at the same time, they have recognised the difficulties of interpretation of statutory definitions.

2. In order to obviate disputes regarding the interpretation of the Tariff, the Government of India propose to proceed to a revision of the basis of the assessment to Duty of imported Papers, in consultation with different interests concerned in the matter.

3. Although the above proposal of the Government of India is primarily in connection with the Paper Industry of this Country, but as a general revision of the basis of the Assessment to Duty of the imported Papers is

proposed, it will not be out of place to draw the attention of the Government of India to the same sort of difficulties, as appreciated by them, which exist in respect of Assessment to Duty of other classes of imported papers, which although strictly speaking do not compete with the indigenous product of the Country directly, but nonetheless affect the paper trade of the country to a very great extent and as the general trading of a country, in any particular commodity and its indigenous products, are intimately correlated with each other, the paper industry of this country, or for the matter of that, any indigenous industry of any country can only develop and fulfil normal expectations, if and when, the general trading of the country in that particular commodity is in a healthy condition.

4. One great inconvenience, which the Paper Traders of Calcutta have to undergo and which in many instances makes them suffer unnecessary loss, sometimes even when normally the Trader, far from suffering any loss, would have derived some profit, is caused by the manner in which duty is assessed on papers, for which there are no fixed Tariff value.

5. In these cases the law provides for assessment on invoice value or market value, whichever is higher, but the actual interpretation of the sense of the law rests entirely with the Customs authorities, with the result, that Duty is assessed on a basis, which is neither invoice value nor market value.

6. There are many instances in which the value declared by the Importer is not accepted by the Customs nor do they agree to take the goods by payment of the value declared by the Importer.

7. The procedure generally followed by the Customs authorities is to dispute the value declared by the Importer and compel him to prove that he (the Importer) is correct, on the ground, that the onus of proving the value lies entirely on the Importer, but even then the demand for proof is made in so ambiguous a manner, as to render it impossible for the Importer to comply with the Customs authorities' demand and in consequence, Duty in such cases is charged on an altogether fictitious value and the Importer, over and above having to pay a Duty which is much higher than the proper amount, has to pay a penalty for misdeclaration, which in most cases is very heavy.

8. There are also other factors, which indirectly compel the Importer to accept the fictitious value enforced by the Customs Appraiser on his goods, even when he is fully aware, that his acceptance of the value, mentioned by the Customs Appraiser, would invariably be followed by imposition of a penalty, which the Appraiser tries his best to render as high as possible.

9. The Importer in many instances sells out the goods either partly or wholly to his buyers as soon as the Steamer carrying the goods is berthed in the wharves, and receive payment for the value of the goods sold in this manner, but he can not deliver the goods to his buyers timely, owing to the Customs authorities refusing to pass the goods for days together after landing, on account of the Appraiser concerned taking time to devise some means to cause misdeclaration of value by the Importer and thereby impose penalty on him.

10. Under such circumstances, the Importer is, on the one hand hard-pressed by his buyers for the goods, and in case of seasonal trades, this pressure is so severe, that it tends to make the Importer lose these buyers for good, while on the other hand, during the time spent by the Customs Appraiser in completing his enquiries, the goods are incurring demurrage, which under any circumstances, whether ultimately the Importer's declared value is accepted or not, is realised from the Importer, before the goods are released.

11. Instances are many, in which the Appraiser has not concluded his enquiries, even several days after the Steamer carrying the goods has left this Port and in such cases, the pressure on the Importer from his buyers can better be imagined.

12. Consequently in order to satisfy his buyers and at the same time avoid incurring further demurrage, which in many instances makes the Importer lose heavily on the consignment, he is compelled, however unwillingly, to accept the fictitious price imposed by the Customs Appraiser, knowing full well, that this acceptance will cause him to pay a Duty, which is much higher than the proper amount and will also be followed by imposition of a penalty.

13. We are not sure, whether the practice of allowing the Appraiser to receive a share of the penalty realised from the Importer has anything to do with the Appraiser's putting the Importer to these troubles, but considering human nature generally, and the excessive amount received by the Appraiser, which is 50 (Fifty) per cent. of the amount of penalty realised from the Importer, it cannot be denied, that it certainly affords food for thought, whether it is not an inducement to the Appraiser. Instances are not wanting in which the amount of such share received by an Appraiser in one year is much more than the total amount of the salary of the Appraiser during that period.

14. It is far from our intention to say that all Appraisers are alike or intentionally cause troubles to the Importers always, but there are certainly some Appraisers whose *modus operandi* is open to question.

15. As one of the many instances of the manner, in which an Importer is forced to accept a fictitious market value, imposed on his goods by the Customs Appraiser, we beg to cite the following instance.

16. We are regular Importers of a particular class of Embossed Coloured Flint paper, which we use for covers of Exercise Books, manufactured by ourselves, but we never sell this paper, in any other manner.

17. All along when clearing these goods, we have declared, that this paper is never sold by us in the market and is used only as covers for Exercise Books manufactured by us and have asked the paper to be passed on Invoice value; the paper has also been hitherto passed by imposition of Duty on Invoice value; but on the last occasion, the Appraiser in whose hands the matter was placed this time, refused to accept the invoice value and insisted on our declaring the market value of the paper.

18. We repeatedly informed the Customs authorities, that the paper is never sold by us, except as covers for Exercise Books manufactured by us, neither have we, after all possible enquiries, could find any evidence of same sort of paper being sold, by anybody else in the Calcutta Market or even imported into this Port by any other Trader; but we were as repeatedly informed by the Appraiser concerned, that he had definite information, that there was a market for that paper and that we must declare the real market value. Being unable to locate this market or the market value mentioned by the Customs, we asked them to inform us, as to where did this market exist and what was the market value which we offered to accept; but even then, the Customs authorities will not disclose the location of the market or the market value either, of which they said they had definite information in their possession.

19. In the meantime, the goods were on the one hand urgently required for Exercise Books, which we had already sold and on the other hand, demurrage was incurring on the goods.

20. Under these circumstances in order to get delivery of the goods, we mentioned a price, which although much higher than the Invoice value, was altogether a fictitious one and it was accepted by the Customs authorities as "proper market value" of the goods on which Duty was assessed and moreover, we were penalised for misdeclaration of value and for trying to cheat the Government thereby.

21. On this we at once took the matter up with the Customs and asked them to inform us, as to where did they get this value, which they accepted as "correct and proper market value" of the goods, as the price given by us and accepted by them as "correct and proper market value", was nothing but a fictitious higher value, given by us in an attempt to get the

goods which were required for manufacturing Exercise Books, which were urgently required by our buyers, to whom we were committed for the Exercise Books, deliveries of which were already overdue, owing to the delay caused by the Customs authorities in passing our Embossed Flint papers, used for covers for these Exercise Books and on the other hand, the goods were incurring demurrage, which were increasing every day and would continue to do so, until the goods were finally passed and taken delivery of by us.

22. Consequently the goods were cleared by paying Duty and Penalty under protest and we were taking up the matter strongly with the Customs authorities; they have since then *refunded the penalty imposed on this consignment*, but have retained the extra Duty, which we expect to be refunded at a later date.

23. Assessment of Duty on M. G. Pressings in former days can be mentioned as another instance of the vagaries of the Customs authorities.

24. Before a Tariff value was fixed for M. G. Pressings, the Customs authorities used to assess these in accordance with the whims of the Appraiser concerned and there is a definite instance, in which the whole consignment, together with the sum paid for Duty, landing, clearing, etc., was confiscated by the Customs, because they insisted on classifying M. G. Pressings as Printing Paper to which the Importer concerned refused to agree.

25. Unglazed Coloured Printings may be cited as another instance of anomalous interpretation of the Customs Act.

26. These papers are imported in assortments of three to six different colours, all in the same quality, size and weight, in accordance with the nature of the Importer's business.

27. In assessing Duty on these papers, the commonsense interpretation of the law should naturally be that the same rate of Duty should be charged on all papers of this category irrespective of the colour it bears; but the Custom authorities have their own interpretation and different rates are charged by them for different colours, in accordance with the whims of the Appraiser, sometimes the whole consignment, irrespective of the colours it is composed of, is assessed in one rate, sometimes different rates are charged for different colours, e.g., the portion of the consignment consisting of "Blue" Colour only is charged separately as Wrapping Paper, the rest as Printing Paper, sometimes other colours, such as "Violet", "Purple" are also put by the Appraiser in the category of "Blue" Paper and charged as such; even when samples of paper attested by the Government Central Stationery Office as "Blue" Colour, as distinguished from "Violet" or "Purple" Colour is submitted, no heed is paid to the protest of the Importer; even the original Colours is defined in the spectram are not taken into consideration and assessment is made in accordance with the whims of the Appraiser.

28. It hardly needs to be added, that the reams of Unglazed Coloured Printing are always sold assorted in various Colours and no discrimination is made in trading circles between the various colours, but in assessment different rates of Duty are charged for portions of the same consignment in accordance with their colour, irrespective of the fact, that the whole consignment is of the same quality, size, weight, cost and actually sold at the same price or that the Importer sells his paper just in the same condition of assorted reams, as originally purchased by him, as the imposition of higher Duty for portions of "Blue", "Violet" and "Purple" naturally increases the cost of the whole consignment, without any corresponding advantage in selling price, many Importers when importing are obliged to alter the composition of the reams by giving up "Blue", "Violet" or "Purple" Coloured papers.

29. Even in cases where there is no difficulty in classifying the goods and for which a definite market value exists, the proper amount of which

can easily be ascertained by the Customs, if they will only care to do so, the Appraiser invariably tries to prove, that the market value declared by the Importer is less than the real market value so that a penalty must be imposed on the importer for misdeclaration. The commonest method followed by the Appraiser in this respect is to get hold of a copy of the cash memo. of some dealer, who has been able to sell the paper at some higher price; no consideration is made as to the quantity sold by this particular dealer or any other causes which may have enabled the dealer to get a little higher price or whether the difference in value is such as to merit any considerations; all that is taken care of by the Appraiser is that some other dealer has been able to sell a quantity of the particular kind of paper, however small, at a little higher price, which must necessarily be the proper market value.

30. A case in point is the assessment of Chinese Metallic Papers, called by the trade name as "China Sona and Rupa" (Gold & Silver) paper. The trade for these papers in the Calcutta Market is not very large, and are imported by only two or three dealers direct from China. Consequently these are never imported in large quantities; moreover these papers being used for decoration purposes during the Mohammadan festivals, any unsold goods have to be held in stock for next year's requirements, which delay will at the same time render the unsold stock altogether unsaleable, as these papers deteriorate very quickly. Under these circumstances the market value of the paper is always fluctuating in accordance with the arrival of a consignment from China and the proximity of a festival; with the approach of a festival the price goes up even to 100 per cent, but as soon as a new consignment reaches here, the price goes down in double quick time; the simple reason is, that all dealers doing business in these goods make some purchases from the importers, in accordance with their individual capacities and as soon as the consignment arrives, each retailer tries to sell out his goods as quickly as possible, with the inevitable result that the price is forced down very quickly.

31. The Customs Appraiser in such cases invariably tries to get an evidence of the highest price at which these papers have been retailed by a dealer and will not release the goods, unless the importer agrees to the value imposed on his goods, because it is very well known to him (Appraiser), that the goods would be of little value to him (Importer) after the festivity is over. One of the commonest tricks played by the Appraiser is to leave the Bill of Entry incomplete by putting a remark "To me after Duty"; thereby the Appraiser while evading his technical responsibility of completing assessment within 48 hours from the time of submission of the Bill-of-Entry, retains his full hold on the Importer to impose any additional charges he may be able to do subsequently, after the Importer has paid the Duty; the Bill-of-Entry is then taken back by the Appraiser, who refuses to pass it, on the plea that enquiries have not been completed, while the goods incur demurrage and when at last, the importer, either for urgency of the goods or to avoid incurring further demurrage or through fear of losing the market for that year by further delay, enquires from the Appraiser, as to what would satisfy him, he invariably, mentions a higher market value the difference of which with the Importer's declared value may be large or insignificant, but still higher than the importers' value and no sooner the tired Importer accepts it, penalty is imposed on him for misdeclaration, which from appearances leads one to conclude, as the chief aim of the Appraiser.

32. If details were to be given, mention could be made of numerous different means adopted by the Appraiser, in order to make the Importer agree to a value, higher than what has been declared by him and thereby making himself liable to be penalised for misdeclaration.

33. It may read as absolutely anomalous, but still in reality the Customs Appraisers in these matters constitute themselves into complainant, Prosecutor, Witness, Jury and Judge.

34. The Importer of course can always take the matter to the Collector for Appraisement and have his grievances redressed by this officer; but in reality it is not quite so easy as may appear; firstly the importer will have to put in a complaint to the Collector that he is being intentionally harassed by the Appraiser, which the latter will try his best to disprove by stretching the Customs laws; Secondly even when the Importer is successful in his complaint with the Collector, the Appraiser is sure to take his revenge in subsequent consignments arriving for this Importer and as these are done under cover of Customs Acts, the Importer is unable to protect himself from such high-handedness, because he knows that the Appraiser is taking his stand on technical grounds, as for example, when the Appraiser puts a note on the Bill-of-Entry to the effect, "to check contents and weight" the result is, that in the first place, the importer has to pay charges for carrying the goods from the wharves to the Customs' godown, which has to be done by Customs' Cooly contractor, who charges the Importer about 15 times more than what he would have had to pay, if the goods were carried by outside coolies, secondly opening the bales and counting sheet by sheet of each and every ream of the consignment, for which again the Importer has to pay a charge, leaves the consignment, after the checking is finished, in a condition which may better be imagined and the poor importers is obliged to sell the consignment as a job lot; the most regrettable point in the whole matter is, that although it is apparent to every body that while all this was being done with the sole intention of harassing the Importer, the latter was absolutely helpless, as the actions were being taken under cover of Sea Customs Acts.

35. All the troubles created by the Customs Appraisers in cases of *ad valorem* Duty, are the results of incorrect interpretation of the phrase by them; all authorities are unanimous that *ad valorem* value means the value at which the goods can be replaced under conditions of unrestricted and ample supply, but the interpretation given by the Customs Appraiser, is the value at which a portion of the goods, however small, has been sold in the market and as a price, higher than the Importer's declared value, is the criterion of the Appraiser, it is not very difficult for him to get hold of a cash memo, for retail sale to prove that the value declared by the Importer is less than its real value and consequently the Importer must pay Duty on a higher value and a penalty for misdeclaration, because if it were not detected, it would have resulted in the Government losing some revenue. No consideration is given to the fact, that the price which is used to penalise the Importer does not in any way represent the fair value of the goods.

36. We are sure, it was never intended by the Legislators, that the Customs Acts for Sea-borne trades should be interpreted in accordance with the fancy and whim of the Customs Appraisers or that the laws should be stretched and used to oppress the Importer; all that the Legislators really wanted was, that a fair amount of revenue should be collected from the Importer, as a charge on the goods imported by him for trading purposes, but at the same time, it must be levied in such a manner, that it would afford honest trader ample scope to realise a reasonable return, for the money invested by him in the business and the risk and labour undertaken by him in doing the business.

37. The question of percentage of Mechanical Pulp is another matter on which it is impossible for the Importer and the Appraiser to come to an agreement. The Chemical test, however carefully done, can never be satisfactory; firstly, those who have knowledge of working at the Mills are aware, that in paper containing high percentage of Mechanical Pulp, the beating is done as little as possible and in some Mills, it is not done at all; consequently, mixing Chemical and Mechanical Wood Pulps is not properly done with the result, that some portions of the making contain more percentage of Mechanical Pulp than the rest. Instances are many in which two importers had ordered to the same manufacturer for Mechanical Printing, which must be guaranteed to contain more than 70 per cent. Mechanical Wood Pulp and when these Importers getting their goods by the same

Steamer, from the same Mill, out of the same making, submitted their respective Bills-of-Entry, the Customs authorities, after Chemical Test of the samples found, that one consignment contained much more than 70 per cent. Mechanical Wood Pulp, while the percentage of Mechanical Wood Pulp in the other was far less than the stipulated amount, although both the Importers had ordered for *Mechanical Printing, guaranteed to contain more than 70 per cent. Mechanical Wood Pulp*; and the original invoices of both the Importers bear same endorsements of guarantee for fibre contents, namely "The Paper is guaranteed to contain more than 70 per cent. Mechanical Wood Pulp".

38. The Customs authorities in such cases naturally go by the results of their own chemical examination of the samples and assess Duty accordingly, but what a world of difference does it make between the costs of the two Importers, who have ordered for the same quality of paper, from the same manufacturer, at the same price, terms and conditions have received their supplies from the same Mill, out of the same making, per same Steamer, for selling the goods in the same market and naturally, at the same price. The importer, samples drawn from whose consignment have been found to contain less than 70 per cent. Mechanical Wood Pulp has to pay a Duty, which is about five times of the Duty paid by the other Importer, whose samples have been found to contain more than 70 per cent. Mechanical Wood Pulp, and its consequences on the business of the former Importer can better be imagined.

39. Thus, even when all concerned are striving for fair play, one Importer finds himself suffering heavy loss through no fault of his or any body else.

40. It goes without saying, that a Mill, having contracted for and charging price for paper, containing more than 70 per cent. Mechanical Wood Pulp, will not supply instead paper, in which the percentage of Mechanical Pulp, the cheapest kind of Pulp, is far less than the proportion, which was the basis of the Mills cost when selling the paper, as it would proportionately increase the cost and more over, there is no reason whatsoever, as to why should a Mill, while charging for the cheapest quality, will actually supply paper of much higher value, not to speak of the solemn guarantee given by the Manager of the Mill, a responsible officer holding a post of great trust, that the supplies manufactured at his Mill were the cheapest variety, for which the Importer had accordingly been charged lowest rates.

41. But even in face of these, it cannot be denied, that the Customs authorities are in these cases, quite within their rights, when they refuse to take into consideration any other evidence, except the results of their own Chemical tests, when the other evidences are contradictory to the latter; nonetheless, the poor Importer has to suffer heavy losses, for which there is no remedy and so long as the present basis of assessment will continue, things as mentioned above are bound to occur.

42. As we have stated in the preceding lines, people with real knowledge of the actual working at the Mills are aware, that the total quantity of a particular making contains proportions of Chemical and Mechanical Pulps, exactly in the same ratio as declared by the Mills and it is the cheapness of price, at which Mechanical Printing is sold, which makes it impossible for the Mill to mix the pulps in such a manner, which will ensure even distribution of Pulps, in accordance with their proportions in the total quantity; consequently the percentages of Chemical and Mechanical Pulps in different portions of the making are bound to be different and it is quite a toss-up affair, as to what the samples drawn from the supplies, received by different importers, will be found to contain by Chemical tests, although the supplies of all the Importers might be coming from the same Mill and out of the same making.

43. Then the classification of paper in accordance with their Technical or trade names can never give satisfactory results.

44. For example, there are many instances of paper intended to be sold, and actually sold, as "Badami" paper, have been imported as "Coloured Printing" paper; then again, take the instance of Mechanical Printing in substance of F'cap 6 lbs. These papers are really sold by the retailers in place of Cream Laid 6 lbs., manufactured by the local Mills. Although these papers are imported as Mechanical Printing and without the "Laid" marks, the consumer having very little knowledge of "Wove" and "Laid" papers, it is not at all difficult for the retailer, to induce his customers to take the imported paper, namely 6 lbs. Mechanical Printing, in place of the genuine Cream Laid F'cap 6 lbs., manufactured by the Local Mills; on the other hand, it is not at all necessary for the Importer to induce the retailers or other distributors to buy imported Mechanical Printing F'cap 6 lbs., because on account of its lower cost, the former can easily sell any quality he likes at a price, which bears no comparison with that of the local Mills and thereby automatically ensures to the retailer, a much larger profit than what he would have derived, if he had purchased the genuine stuff, i.e., Cream Laid F'cap 6 lbs. of the Local Mills. Although generally Cream Laid F'cap 6 lbs. paper of the Local Mills are not used to write with ink, but still in order to make his sales doubly sure, the Importer gets his supplies, with just enough sizing as will make it stand writing with ink and the great cheapness in cost allows him to import paper of slightly higher weight and sell it as 6 lbs. paper, which naturally gives the paper better bulk.

45. Poster papers may be cited as another instance; these papers to all intents and purposes are really Printing paper and to some extent writing paper as well; if statistics were taken of the consumption of this class of paper in the last few years and the various uses it is being put to it will be found that the field of its uses is extending by leaps and bounds; a large quantity of this paper is used for envelope making, the consumption of which is also increasing very rapidly. Speaking properly, more Poster papers are used for other purposes than as Posters.

46. The difference in the mode of assessment between the Customs authorities of Bombay and Calcutta is another matter which should attract the attention of the Boards sometimes the differences and its effect on the actual cost is so great, as to make it profitable to land goods at Bombay, and then sell the paper in areas normally fed from the Calcutta market. Instances also are known in which a Calcutta Importer has found it profitable to clear the goods at Bombay, then re-ship these to Calcutta and ultimately sell at cheaper prices than the Calcutta Importers and still make much better profit than has been possible for the Calcutta Importers, on account of the Bombay Customs passing the goods on their invoice value, whereas the Calcutta Customs refused to accept anything but a so-called "Market Value", which is much higher than the invoice value of the goods. It may be mentioned, that the purchase prices of the Importer of Bombay and Calcutta are not only same, but the freight, etc., i.e., the transit charges to the Port of Bombay and Calcutta are also identically same; consequently, it is only the difference in Duty assessed by the Customs of Bombay and Calcutta is what makes it possible to land the goods at Bombay, then re-ship to Calcutta and still sell more advantageously, even after paying the extra charges for carrying the goods from Bombay to Calcutta.

47. It is far from our intention to make this an occasion for ventilating our grievances against the anomalies of assessment of Duty or the vagaries of the Customs authorities, but we cannot help remarking, that so long as the present method of assessment of Duty in accordance with its classification and consequent difference in charges will continue, there will never be an end to the struggle between the Importers and the Customs authorities.

48. The Importer will always try his best to get his goods assessed in the cheapest class as far as he possibly can and in order to give effect to this, he brings into his use all the subtleties of human ingenuity through misnomer and all other methods he can think of, while on the other hand the Customs authorities will regard the Importers as so many cheats, who are

out to defraud the Government of its paper revenue and so in trying to collect this "*proper revenue*", they try to squeeze from the Importer as much revenue as possible. The collection of evidences of higher value from cash memos. of sales, irrespective of the quantity or other conditions of such sales, go to show that very little consideration is paid to the fact, as to whether fair Duty is being assessed on the goods or not.

49. This invariably tends to the Importer being prepared beforehand to face imposition of higher Duty by the Customs authorities and consequently devise means and ways, to get his goods assessed at, as lower a value as he possibly can.

50. Just as the Customs authorities, search for evidences of higher value, the Importers on their part try to prove lower prices through evidences which are far from correct; in fact both the Customs authorities and the Importers are wrong in this fight for assessment.

51. The whole basis of assessment by the Customs authorities, *i.e.*, their interpretation of the intention of the Act is incorrect; they start from the point, that the price given by the Importer is incorrect, the proper value is certainly much higher than what has been declared by the Importer and unless they are very cautious, the Importer will deprive the Government of their proper and fair revenue, to which they are eligible and the Importer is liable to pay.

52. Consequently, the onus of proving the correctness of the value declared by the Importer, is thrown on him by the Customs and until an Importer is able to prove this, his Bill-of-Entry is held up by the Appraiser and the goods would be incurring demurrage; the more delay there would be in satisfying the Appraiser, the more delay there would be in getting the goods and consequently more demurrage will be charged on it.

53. It is to our definite knowledge, that the goods of one Importer were not passed by the Appraiser on account of the Importer being unable to give a market value of his goods, which had never before been imported into this market and the only value that the Importer could give, was the invoice value and as regards the market value, the Importer was unable to give any until the goods were actually brought into the market and offered to prospective buyers; but the Appraiser concerned was adamant and refused to pass the goods unless an exorbitant priece dictated by him was accepted by the Importer.

54. We are enclosing herewith a short list from which it will be found, that the amount of Duty actually collected by the Customs is far above the scheduled 25 per cent. or 30 per cent. *ad valorem*, if statistics were taken of the percentages of Duty actually called by the Customs in cases of *ad valorem* Duty, we have every reason to suggest, that it will be found, that in very few instances, Duty have been collected at the scheduled rates, but far above it.

55. The inevitable consequence of such procedure, which may be called high-handedness by the Customs Appraisers is to force the Importer to devise ways and means, to get his goods passed by payment of as little Duty, as he possibly can because if he were to declare the goods properly, it will never be accepted by the Customs, who will assume beforehand, that the Importer has made a misdeclaration and a much larger amount of Duty is not only leviable on the goods, but must be realised from the party; with the result that the cost of the Importer will be so high, that he must discontinue importing such goods in future, as an Importer cannot be expected to import goods with the fore-knowledge, that he will have to sell these at a loss; or in other words, the Importer will have to close up his business, unless he can manage to get his goods passed through the Customs in such a manner, as will save him from being ruined.

56. This never-ending struggle between the Customs Appraiser and the Importers are bound to continue so long as the present mode of assessment

will continue to exist and the importers and the Customs authorities will always be at logger-heads with each other.

57. We admit that all Importers do not make honest declarations of value and unless the Customs were very scrutinizing, people might try to evade proper liabilities for Duty and the Government may be deprived of its proper revenue; but that is no reason, why attempts should not be made to afford opportunities to traders, who want to carry on their business honestly and at a reasonable return for their investment, risk and labour.

58. We are sure no trader either of this market or any other will have any reason to complain, if he knew where he stood or in other words, if all Importers were certain of their costs, there would be very few attempts to deprive the Government of its fair revenue by any under-hand means, because in such a condition, the cost of all Importers will be same and there will be no fear of unfair advantage to or competition from other Importers.

59. This can be secured by fixing Tariff values for all goods and as regards classifications making fewer classes and rendering each class as comprehensive as possible.

60. We are aware that great stress is laid on the point of taxing paper needed for education and it is claimed, that unless cheap papers, i.e., Mechanical Printings, were allowed to be passed free or with cheaper assessment of Duty, the cause of education will suffer and in support of this, statistics are quoted to show the poor ness of India, as compared with other countries, which are richer than India, but it may be doubted, whether all those, who are espousing the cause of cheap education are really in their hearts so very anxious for cheap education in India, as they want them to be regarded such, because in that event, evidence would not have been wanting of their doing or at least trying to do something in the cause of cheap education in India, in other ways and manners, of which there are many besides cheap paper; our statement may be unpleasant to many of our Indian friends, but nonetheless, we make bold to say that it is nothing but their own individual interests or in other words, ways of ensuing larger profits, that are inducing them to raise those objections, in the name of cheap education.

61. But if they were to give our suggestion due consideration, we are sure they will agree, that our suggestion does not afford much scope to make larger profits through misdeclarations, but it certainly affords full scope of ensuing honest business by any Importer, who will care to do so, and realise a reasonable return, while at the same time, there will be no grounds for differences of opinion and consequent struggle for real value for assessment, between the Customs authorities and the Importers.

62. However carefully the classifications may be made, so long as there will remain difference in rates of assessment, there will be no end to this struggle; Importers will try to get their goods assessed at the lower rates as far as he is able to make the Customs accept his declarations and in doing this means would be adopted to give effect to this. The Customs Authorities will of course try their best to detect these misdeclarations and wrong classifications, but they can never be expected to be successful in every instance and consequently, unfair competition amongst the Importers will continue, which will further provide cause for the Importer to make attempts for lower assessments.

63. On the top of this, the difference of interpretations of the intention of the act and consequent difference in assessment between the Customs authorities of different Ports, e.g., Bombay and Calcutta, when other factors are identically same, will be a source of unfair competition between the Importers of different Ports which is unquestionably most regrettable, as the Customs authorities of both the Ports, while assessing Duty on the same class of goods in accordance with the same laws are unintentionally either helping or ruining an importer in accordance with the interpretation put by them on the construction of the laws.

64. Attempts are being made, we understand, to secure concessions for Mechanical Printing required for Newspapers, on grounds of public utility, for educating the people through their columns and any enhancement of Duty will jeopardise their existence.

65. We are not sure how far the cause of educating the people is being advanced by the Newspapers in India, but we are sure, that any exemption for any reason whatsoever will certainly provide loop-hole for getting exemptions on consignments, which properly speaking cannot be included in the same category; moreover, as a rule Newspapers do not rely on the cost of the paper consumed, for their existence which is really a minor factor in its whole charge for production; the item which is the life-blood of a Newspaper is the amount of advertisements it gets and the charge it is able to make on its advertisers for using its columns.

66. If reference be made to statistics of other countries, of which our friends are so very fond of, it will be found, that the price at which Newspapers are sold have very little bearing on its actual cost of production and in every case the paper is actually circulated at a price, which is much less than its cost of production.

67. It is the volume and price for advertisements that not only keeps a Newspaper going, but increases its funds, for investments towards improvements and developments.

68. As the time within which the representations have been called forth is very short, we are unable to submit a comprehensive statement supported by statistics, which naturally will take a lot of time and we are obliged to conclude with what little we have been able to submit and in doing so, we beg to thank the Board for kindly allowing us to make our submissions, which we trust will receive due consideration.

Enclosure.

List of Assessment of Duty more than Scheduled Amount.

Value of Consignment. 1 Rs. A. P.	Scheduled duty. 2 Per cent.	Duty actually realised. 3 Rs. A. P.	Percentage. 4
851 9 0	25	257 6 0	30·2
1,552 0 0	30	567 11 0	36·5
689 12 0	30	265 6 0	38·5
445 4 0	30	153 7 0	34·5
1,898 1 6	30	722 9 0	38·0
1,664 10 0	30	653 15 0	39·2
1,591 14 0	25	490 11 0	30·8
616 14 0	30	220 2 0	35·6
1,655 7 0	30	581 9 0	35·1
264 10 0	30	98 14 0	37·4
1,793 6 0	30	630 0 0	35·1
1,480 0 0	30	519 4 0	35·0
472 10 0	30	161 9 0	34·2

Commercial Stationery Mart, Calcutta.

Letter dated the 10th July, 1935.

We are sending herewith our replies* of the questions drawn up by the Tariff Board for the classification of paper for tariff purposes. Please acknowledge receipt of them and oblige.

Makhal Press, Kharar, District Ambala.

Letter dated the 10th June, 1935.

I understand that you are considering the matter of the different kinds of paper which should come under the Protective Act.

I would like to suggest that you take into account in arriving at decisions, that there is, in endeavouring to spread literacy, and in endeavouring to keep people from relapsing into illiteracy a great need for cheap papers, magazines and books. In order to keep prices down, it is essential that cheap paper be available. I have had a good deal of experience at publishing such cheap literature for villagers and for schools and would like to urge that your decisions should be such that the price of cheap paper such as glazed and unglazed news of medium weights, should not be increased. As things are at present small booklets and papers and magazines can be produced at a price that is not out of the reach of many of the poorer sections of the community, and I think it is to the interests of the country that nothing be done which will make it difficult to produce these cheap publications.

The Diocesan Press, Madras.

Letter dated the 11th June, 1935.

With reference to the forthcoming enquiry as to the Tariff on paper, I should like to make the general request that the effect of the present heavy duty on the Printing industry be taken into account.

Publishers are finding that it is cheaper to get reprints of their books done abroad, and to import them as printed sheets, thus completely avoiding import duties. The value of printed books supplied to one of our customers has fallen from Rs. 25,000 to less than Rs. 4,000 per annum for this reason.

I understand that a large amount of commercial printing is also being done abroad. Both with commercial and bookwork printing it is becoming increasing the case that the large order (where paper is of course the big item of expenditure) is placed outside India. Even when Indian made paper is used, the slightly lesser price does not counterbalance the advantage of free import of printed matter.

Such a state of affairs injures the Printing industry without in the least benefiting the Paper industry. If therefore it is proposed to continue the present duties on paper, then I would suggest that an equivalent duty be placed on imported printed matter also, save in the case of bound books.

The "Times of India", Bombay.

(1) *Letter dated the 26th June, 1935.*

CLASSIFICATION OF PAPER FOR TARIFF PURPOSES.

With reference to Resolution No. 202-T. (1)/35, dated the 25th of May, issued by the Government of India, Department of Commerce, we beg to submit the following representation.

* Same as those of the Calcutta Paper Import Association.

In the resolution quoted above Government have clearly stated that in their view "the definition of articles to which the protective tariff should apply was one which should indicate as precisely as possible the intention of the Legislature and should be so framed as to include any such articles as can be produced economically in the country or may compete with an indigenous product."

It would not be out of place to mention the three principles which have guided the previous Tariff Board in deciding whether any particular kind of printing paper should be exempted from the protective duty. These principles are summarised in the Report of the Indian Tariff Board as under :--

- (1) The paper must not compete with Indian paper.
- (2) If excluded from the protective tariff and rendered relatively cheap, it must not be likely to compete with Indian paper.
- (3) It must be possible to define such paper in such a manner that it can be readily identified for Customs purposes.

It must be remembered that all papers containing more than 70 per cent. Mechanical Wood Pulp are entirely outside the scope of manufacture by Indian Mills. At the last meeting of the Tariff Board Mr. Bellamy, the representative of the Indian Mills, said "We will never be able to compete with a paper containing 70 per cent. Mechanical Wood Pulp, not even with a protective duty as the raw material is not in this country". At a further stage in the examination, Mr. Bellamy confessed that "any paper which contained 70 per cent. or more mechanical of the total weight, does not compete with Indian Paper". It is our contention, therefore, that newsprint, which comes under this definition is correctly assessed to-day and we are not aware of any dispute regarding the interpretation of the tariff in this instance. Rather are we acquainted with the fact that the Indian Paper Makers' Association have put forward a new suggested definition for newsprint. We understand that this definition has been put forward by the Indian Paper Makers' Association on the grounds that certain imported grades of paper classed as newsprint contain a small percentage of clay and therefore should be subjected to the protective tariff.

It might be remarked here that at the last Tariff Board meeting, Dr. Mathai stated that "the Tariff Board was administering discriminating protection, in which the well-being of the consumer was of cardinal importance". Further, in September 1925, when Sir Charles Innes moved the resolution in the Assembly recommending protection to the bamboo paper and paper pulp Industry, he said that the ground on which exemption was given to printing paper containing a high percentage of Mechanical Pulp was because this class of paper was so cheap that Indian Paper could not possibly compete with it unless put on a perfectly outrageous degree of protection.

The Indian Paper Makers' Association's proposed definition of Newsprint, if adopted, would mean that certain qualities of paper which are now admitted under the *ad valorem* duty, would be made subject to the protective duty. These are papers which contain not less than 70 per cent. of Mechanical Wood Pulp in the total fibre content and consist of many varieties which are used for the cheaper kinds of printed matter, amongst which we might cite School Books, Catalogues, Railway Books & Forms, including Time Tables, Railway Guides, Goods Tariffs, Telephone Directories, etc., etc., The acceptance of this application would result in the cost of these articles being increased to a tremendous extent.

We quote an example of the difference which would result in cost of papers, if the qualities of paper cited above were subjected to the protective

duty. Papers of the definition described above cost from £9 to £13 per ton, and to take one instance as an example might be sufficient:

Rs.	
£10 per ton <i>plus</i> present duty 25 per cent. = £12-10-0 .	170
£10 per ton <i>plus</i> protective duty at 1 anna 3 pies per lb.	311

the percentage of duty to cost in this case being the abnormally high figure of 130 per cent. Even Japanese goods are not treated like this.

The cheapest class of Indian paper costs Rs. 385 per ton, so there is still a wide difference between the cost under the suggested protective duty and the Indian paper cost. There is still an actual difference of Rs. 74 per ton, which would mean that unless duty is still further raised, imported paper would still be used but at an enormously increased cost.

We most strongly object to the proposed definition of Newsprint as put up by the Indian Paper Makers' Association. A large quantity of Mechanical Wood Paper is imported into India to be used in cheap printing work and it is apparently the attempt of the Indian Paper Makers' Association to have this paper placed on the protective duty list. This, in our opinion, would be grossly unfair as this paper cannot possibly be made in India and we cannot see why the Indian Paper Makers' Association should force users of print to use their papers. There is a large amount of cheap printing on which only the cheapest quality of paper can be used, and if an Act were introduced defining Newsprint as suggested by the Indian Paper Makers' Association, very many small printers in this country would be forced to buy paper made in India at not less than 130 per cent. higher prices than now imported.

Coming to the question of actual Newsprint imported into India for the specific use of printing *bona fide* Newspapers, we understand the Indian Paper Makers' Association's suggested definition is as follows:—

Weight.—500 sheets, each 18" by 22", shall not weigh less than 14 lbs. or more than 17 lbs.

Reels.—To conform to the same substance limitations as sheets and shall be in rolls not less than 16" wide and 28" in diameter.

Stock.—Not less than 70 per cent. of the total fibre shall be ground wood (Mechanical Wood Pulp) and the remainder shall be unbleached sulphite. The stock may not be bleached, and

Ash.—shall not be more than 2 per cent.

They submit:

(1) That any paper to pass as Newsprint must weigh not more than 17 lbs. and not less than 14 lbs. and must be in size 18×22, 500 sheets to a ream.

It is not clear whether they want to restrict Newsprint to this one size or whether they mean that Newsprint could be imported in any size but must be in the substance specified above. It would be not only absurd but ridiculous to restrict Newsprint to one size as India imports Newsprint in several sizes, as naturally printing machines all vary in size.

Further, their suggestion that Newsprint be restricted to weights between 14 and 17 lbs. in size 18×22 is not practicable. At present Newsprint is imported into India in all substances from 24 grammes (7 lbs. in size 18×22) to 100 grammes (28 lbs. in size 18×22). None of this imported paper is capable of being produced in this country nor does it in any way compete with anything produced in the country.

(2) That not less than 70 per cent. of the total fibre shall be Mechanical Wood Pulp and the remainder shall be unbleached sulphite. The stock may not be bleached.

In connection with this specification, it might be mentioned that the Newsprint which we use for the production of the *Illustrated Weekly* (see below) contains 78/80 per cent. of Mechanical Wood Pulp, but this Mechanical Wood pulp is to a large extent bleached (to obtain the whiteness of shade necessary). In addition to this, this Newsprint contains 20 per cent. of unbleached sulphate (to give a good strength to the paper). We would like to stress the impossibility of using unbleached paper for this publication. The magazine is an illustrated one and unless wood pulp is bleached to a certain extent, art reproduction is impossible.

(3) *Ash.*—They lay down that ash shall not be more than 2 per cent. This is a most ridiculous definition as even the cheapest of cheap papers contain ash from 5 to 8 per cent.

It will thus be clear that the definition of Newsprint as put forward by the Indian Paper Makers' Association, quite apart from the objections of it being restricted in size and substance, would not be acceptable from the point of view of their suggestion as to the percentage of ash. It cannot be conceived that the Tariff Board would recommend that a cheap grade of Newsprint, containing almost 80 per cent. of Mechanical Wood Pulp, should pay the protective duty amounting to over 100 per cent., because even if such an exorbitant protective duty were imposed, this class of paper would still be considerably cheaper than the cheapest class of paper manufactured by any Indian Mill, were it possible for them to manufacture it, but as stated above, this paper cannot possibly be manufactured in India.

We publish a periodical—*The Illustrated Weekly of India*—which has been in existence for 30 years and which has a circulation of over 50,000 copies a week. It has a definite educative value. This publication has needed the investment of about Rs. 10,00,000 and provides employment for a very large number of Indian workmen. It depends largely for its popularity and success upon the excellent manner in which it is produced and printed.

To obtain this result, a very good quality of paper must be used. No paper suitable for the production of this periodical has been, or can be, made in India; bamboo is quite unsuitable as a fibre for Newsprint manufacture. Previous to 1923, when the protective duty on paper came into operation, we used a highclass woodfree sulphite supercalendared paper, but the enforcement of the protective duty made its cost prohibitive and we were compelled to substitute a paper of lower grade but of the highest possible quality admitted under the revenue duty.

This is a paper containing 78-80 per cent. mechanical wood fibre, the balance consisting of unbleached sulphite, but produces an ash residue of 13 per cent.

The Indian Paper Makers' suggested specification of newsprint contains the absurd suggestion that the ash residue should not be more than 2 per cent., so it follows that the *Illustrated Weekly* paper would not conform to this specification and would therefore become liable to the protective duty.

Such an imposition would inevitably ruin the property, cause very severe losses to this Company, and throw many Indian workmen out of employment.

It might be mentioned here that we are now installing for this paper, at a cost of an additional Rs. 2,00,000, machinery for its production by photogravure process, the most modern of all printing methods, and this plant would be utterly useless for any other purpose.

For information we give here a comparison of costs as at present and as they would be if subject to the protective duty:—

	Rs. A.
Present cost of Newsprint: £12-10-0 per ton + 25 per cent. duty, £3-2-6 = £15-12-6 or	209 0 per ton.
If subject to protective duty: £12-10-0 + 1 anna 3 pies per lb. duty = Rs. 175	341 8

The duty would thus amount to 105 per cent. on the value of the paper, which is ridiculous, remembering that the paper cannot possibly be made in India, while the increased duty would amount in a year to approximately Rs. 2,05,000, which is very much more than the profit this publication earns.

To the best of our knowledge, this particular paper is not used by any other publication in India and a suggested formula for its description would be as follows :—

Newsprint in rolls equivalent in weight to 500 sheets, 18×22, not less than 14 lbs. or more than 30 lbs., containing not less than 70 per cent. mechanical wood in the total fibre content, and the balance consisting of unbleached sulphite.

We understand that the Indian Paper Makers' Association contend that the objects of protection are being vitiated to a great extent by the import of large quantities of paper termed as Newsprint for purposes other than the production of *bona fide* newspapers.

Page 9 of the Report of the Tariff Board, 1929, reads as follows :—

" Although specific mention is made of paper on which Newsprint are printed, it would appear that it was equally the intention to exempt from the protective duty other kinds of printing papers containing a high percentage of mechanical pulp."

It will thus be seen that it was not only Newsprint that was exempted from the protective duty but all kinds of papers containing more than 70 per cent. of Mechanical Wood Pulp were exempted from the protective tariff.

We therefore, earnestly request that the formula of the Indian Paper Makers' Association will not be accepted without the fullest consideration being given to our suggested amendment or, alternatively, devising some method whereby Newsprint used in the production of *The Illustrated Weekly of India* can be admitted at the present or lower scale of duty.

(2) Letter dated the 4th July 1935.

With reference to your Memo. No. 419 enclosing us a copy of questionnaire we understand this questionnaire was drawn up for the information of those who were not familiar with the investigations being conducted by the Tariff Board. As we have already submitted our representation in this connection, we do not think it is necessary for us to answer the questionnaire other than to reply to question No. 9. The fact that the protection already granted has not been inadequate is proved by the sensational rise in the market value of shares of certain Paper Mills. In this connection, we enclose you figures showing the amount paid up per share and the present market value, and also the dividends percentage for several years. The noticeable increase since protection was introduced is the most definite and concrete proof which we can bring forward to prove that the protection already allowed is more than adequate.

Enclosure.

	Amount paid up per share.	Market Value.
	Rs.	Rs.
Bengal Paper Mills	25 105 $\frac{1}{4}$
Titaghur Paper Mills	2 $\frac{1}{4}$ 21 $\frac{1}{4}$
Titaghur Paper Mills	1 9 $\frac{1}{4}$

Dividends per cent. for year.

	Bengal paper Mills.	Titaghur paper Mills.
1926	7½	10
1927	12½	10
1928	17½	25
1929	20	40
1930	20	35 & 34½
1931	20	35 & 37½
1932	20	45 & 45 5/16
1933	20	45 & 50
1934	10 for first half- year.	22½ & 25 for half-year ended 30th Sept.

The Indian Press, Limited, Calcutta.*Letter dated the 27th June 1935.*

In reply to your letter No. 416, dated the 20th June, we have pleasure in bringing before you the following facts.

The Indian Press, Limited, has branches at Allahabad, Calcutta and Benares and employs 1,000 hands. The Press is entirely Indian owned. It is not possible for us to make complete suggestions regarding the classification of paper for import purposes as the time at our disposal is insufficient for such a large and technical question.

We do wish however to lodge our protest against the unnecessarily high tariff which in turn makes for the high prices of paper. In Allahabad we are large Printers and Publishers of Text books for which Indian paper is used but our cost of As. 3 per lb. f.o.r. Allahabad is just £10 per ton or 50 per cent. higher than the same class of paper in Great Britain.

We are also Lithographic Printers and Art Printers on a large scale for which we require quantities of high class papers in a large number of varieties which are not manufactured in India. On almost all these the protective duty of annas 1-3 is paid making their cost out of all proportion to their original value.

We do not know the reason of the present enquiry but if it is to increase those classes of papers which shall be liable for protective duty we must register our protest in the interests of the printing and publishing and all consumers of paper in this country.

Messrs. Thomas Smith and Company, Calcutta.*Letter dated the 27th June, 1935.*

We are an old established Anglo-Indian Press in Calcutta and purchase most of our requirements of paper from the local market.

It is not possible for us to go into details of the classification of paper for import purposes but we do wish to register our protest against the high prices of all classes of paper in India.

The trade depression has resulted in most commercial firms cutting down their expenditure in printing and the prevailing high prices of paper is a serious preventive to a general revival of advertising and general publicity.

There is no doubt that the Printing trade in India is severely handicapped not only by the trade depression but by the high prices of paper which in some cases are between 80 per cent. to 100 per cent. above those ruling in Great Britain.

American Baptist Mission Press, Rangoon.*Letter dated the 6th July, 1935.*

I have the honour to acknowledge receipt of the Questionnaire drawn up by the Tariff Board in connection with their inquiry into the classification of paper for tariff purposes.

We desire to associate ourselves with the reply of the Calcutta Paper Import Association which was sent you by them on the 24th June. This reply will answer the questions in your Questionnaire and with them we are in entire agreement.

London Mission Press, Travancore.*Letter dated the 9th July, 1935.*

I write to protest against the proposal, which I understand is before the Tariff Board, to increase the import duty on paper containing a high percentage of Mechanical Wood Pulp.

Paper of this kind (70 per cent. mechanical) is largely used in this Press, especially for periodical publications, and any increase in price would be very damaging, for it is well known that periodicals in India must be of the utmost cheapness if they are to obtain subscribers. The printing and publishing trade would suffer severely, and the educational and cultural effects which such periodicals have would be largely curtailed or, in many cases, stopped altogether.

Moreover, so far as I know, such paper (70 per cent. mechanical) is not made in India, and the imposition of an increased import duty would be of no advantage to the Indian paper mills. Even if there were to be any such advantage, it would in my opinion be far outweighed by the loss and damage that such a duty would cause in other ways.

Messrs. Longmans, Green and Company, Limited, Calcutta.*Letter dated the 10th July, 1935.*

With reference to your letter No. 419 of the 24th June last, I enclose herewith my replies to some of the questions sent by you. Some of the other questions are engaging my attention and I will send you my replies thereto early next week.

Enclosure.

1. I do not know if Paper Trade in this country has any criterion to distinguish Printing Paper from Writing Paper. In many cases one is used for the other; for example, so far as I know the Government of India, one of the largest consumers of paper in this country, has the same specification for Printing as for Writing Paper. If any distinction is to be made between the two, the distinction lies in the matter of sizing. The paper, which is to be used exclusively as a Printing Paper, has a higher percentage of China Clay and is under-sized so as to make it unfit for Writing purposes and give it quicker drying properties. Similarly, a Paper, which is mainly intended for Writing, is fully sized so that the writing in ink does not spread on the surface. As a rule, Writing Paper is a stronger fabric than Printing Paper. It is fully sized and writing in ink does not spread on it.

Inadequate or insufficient knowledge about the technicalities of the different kinds of paper and printing makes the majority of printers and book-sellers (who are called publishers also) in this country, put the same kind of paper to different uses. They do not know that infinitely better results may be obtained by the use of the different grades of Printing Paper for different

purposes. With the progress of knowledge of the technicalities of printing, the printers will aim at a higher standard of excellence in their production and as a consequence, the demand for the softer sized Printing Paper which yields better results is bound to increase.

The different classes of paper which serve more than one purpose are:—

- (1) *White Cartridge Paper*, which is mainly used for the manufacture of Drawing Books, with or without designs. There are Drawing Books which contain designs or patterns on the left-hand side paper, the right-hand side paper being left blank for the pupils to make their own drawing. Blank Drawing Books without any designs or patterns are also manufactured and used very largely by pupils in their Drawing Classes, or drawing Maps in the Geography Classes. It is also used as a Printing Paper (Antique). In appearance the Antique Paper is the same as Cartridge Paper. It is also used as a book-end paper.
- (2) *M. G. Wrapping*.—This quality has one side glazed and other rough, and is mainly used as wrapping paper, or packing paper or as covers for Exercise Books, etc.
- (3) *M. G. Pressing* is also used for the same purpose, that is, covers for Exercise Books, etc., where cheapness is aimed at.
- (4) *Cream-Laid Paper* is used mainly in the manufacture of Exercise Books, Note Papers, Envelopes and Forms, etc.
- (5) *M. G. Poster* is largely used for the printing of Posters, Labels and Lithographic printing. This is also used in the manufacture of Envelopes.

2. As in this country the same kind of paper is used to purposes other than printing. It is very difficult, if not impossible, to suggest an accurate and scientific definition of Printing Paper. A Paper which is used exclusively for the Printing purposes may be called a Printing Paper and as such, it has quicker absorbing qualities, in consequence of its having a higher percentage of clay content giving it a quicker drying quality and is generally unsuitable for writing.

DIFFERENT KINDS OF PRINTING WORK UNDERTAKEN IN INDIA.

So far as I am aware, the following are the different processes of printing in India:—

- (a) Letter-Press Printing.
- (b) Direct Lithographic Printing.
- (c) Offset Lithographic Printing.

(a) Of these, *Letter-Press Printing* is the most common process in vogue in this country. It is used in every imaginable kind of printing work and the machines range from the small platens, which are worked by one operator (foot-treadle) to large Newspaper and Rotary Machines worked by electricity. Almost any kind of Paper may be used in this process. The quality most commonly used being:—

- Mill-finished Printing, White & Tinted.
- Super-calendered Printing, White & Tinted.
- Imitation Art Printing, White & Tinted.
- Real Art Paper Printing, White & Tinted.
- Antique Laid Paper.
- Antique Wove Paper.
- Cream-laid Paper.
- Banks and Bonds in the printing of Office Forms and Office Note Papers, etc.

(b) *Direct Lithographic (Printing)* process is used for the printing of Maps, plans, posters, labels—large and small Urdu handbills and notices. A Machine-finished well sized paper is required in the production of Maps and other works, where more than one colour has to be printed.

(c) *Offset Lithography* is generally making its way inasmuch as at a relatively lower expense certain kinds of work may be produced and excellent results obtained. This process will be increasingly resorted to in the printing of illustrations, Urdu books, Maps, Labels.

Besides these, there is the *photogravure* process, which is a very recent development; but I do not know of any printer on this side of the country specialising in this process. This process is resorted to where illustrations are more essential than the letter-press. Any quality of paper can be used in this process. For the life-like reproduction of a picture, a shining Art Paper is not indispensable, as is sometimes thought. Offset Cartridge Paper, which is of smoother surface than the Drawing Cartridge Paper is specially manufactured for this process. For the less common Photogravure process, a smooth and even-sided Mill-finished Printing Paper gives satisfactory results.

The different kinds of paper, which serve more than one printing purpose, are as follows:—

- (i) *Mill-finished Printing Paper*, which can be used equally for Letter-press Printing, Lithographic Printing and Offset Printing.
- (ii) *The Offset Lithographic Paper*, which resembles the Antique Wove Paper in appearance though mainly intended for different processes is equally suitable for Book-printing.
- (iii) *The M. G. Poster Paper* is useful where only one side of the sheet is to be printed.

The "Statesman", Limited, Calcutta.

Letter No. Z/TA, dated the 10th July, 1935.

(Per favour of the Secretary, Bengal Chamber of Commerce.)

Those interested in the question of protective duty on paper, have been asked by your Board to submit replies to a Questionnaire which has been published in the Press, and although a separate copy of the questionnaire has not been forwarded to us we desire to place on record that our interest is only in the import of newsprint to India, to be used solely in our business as newspaper publishers, and this being so we will not attempt to answer the questions which do not, as they stand, immediately concern us. We would, however, refer you to the representations made in our letter of January, 31st, to the Secretary to the Government of India, Commerce Department, New Delhi. This letter, we remind you, is the outcome of deliberations among all the principal newspapers of India, and the views expressed have the unanimous support of the newspapers mentioned therein.

If when the matter comes before you, there is any further information which you think we can usefully provide, we shall be happy to place ourselves at your disposal on hearing from you.

Srinath Press, Bhanga (Faridpur).

Letter No. 20, dated the 30th July, 1935.

I have the honour to bring to your kind notice that having learnt from a reliable source that you are going to put heavy taxes on foreign papers, Straw-Boards, etc. If it is a fact, in result, the Printing Presses will be doomed to stop for want of sufficient printing works in these hard-days. Many manufacturing businesses will also vanish away from India.

So I, therefore, fervently pray to your honour, that you will be kind enough not to put any tax on the foreign and country made papers, etc., and thereby oblige.

Kapur Art Printing Works, Lahore.

Letter dated the 6th August, 1935.

We learn that the Tariff Board is going into the question of duty on the imported paper and Board. As regards the protective duty the suggestions sent by the Paper Makers' Association are such that the interest of the public at large and printers and publishers in particular has been totally ignored.

They can claim or suggest protection on articles that they manufacture or articles which they can replace or supply but it is absurd to suggest protective duty on articles they do not make neither can substitute with what they are making.

What we can suggest is that the Government should take their Catalogues and if it likes put the protective duty on the qualities of paper enlisted in their catalogues and papers and boards other than those should be allowed to be imported at the usual rate of duty.

Certain items that we give below on which they suggest protective duty they are not making, they can substitute any of their own product to serve that purpose and we beg to give below some of them.

Art paper.—This paper is used for printing pictures from Half-tone blocks. Only a coated paper is suitable for that and the Indian Mills are not making any coated paper. This can't be replaced because the blocks will not print on ordinary paper and if tried will give a very poor result. This paper is already more expensive than the ordinary papers and if the ordinary papers could serve the purpose, nobody would use this.

All the picture trade, calendar trade and publicity material depend on the use of Art Paper which trades will go to foreign countries and every printer will be affected. Secondly, on account of the increased cost of the publicity material the advertisers will have to cut down their publicity and be directly affected by it and the printers trade will also go down.

Poster paper.—It is a special quality of paper made to withstand the rough handling and exposure to rain and wind. At the same time in addition to being stronger side is made rough in order to make it stick on the boundings. The ordinary paper does not stick well neither can stand the exposure nor is strong enough for the use.

Art Cards.—The same conditions apply to Art Cards as to Art papers.

Index Boards and Ivory Boards.—These are high class Boards which are already pretty expensive and which the Indian Mills may not be able to make for years to come.

Pasted Boards.—None of the Indian Mills is equipped to make Pasted Board. They are all being imported and will remain to be imported till the Indian Mills are equipped to make them. The ordinary Boards being made are nothing but a thick paper and can never serve the purpose of Pasted Boards.

Box Boards.—No Indian Mill is making Box Board nor is equipped too and protective duty on this will only mean that people will get boxes and cartons made in Germany and Japan and it will ruin the Indian Trade and Box Making. Box Board containing more than 70 per cent. of Mechanical Pulp are no good as the boxes crack where they are creased. Any technical man or box maker could tell you that.

Lastly, we are one of the leading publishers of Educational Books in the country rather that is our main line of business and we are consuming as much as possible the Indian made paper and we are one of the highest

customers of the Indian Mills. But the papers that we import are only those which we cannot get here. In case the duty is increased on these papers we will have to increase the price of the books which will ultimately affect the cause of Education in the country. For illustrations in the books we cannot use anything but Art Paper.

In the end we pray that duty may be enhanced on papers and boards being made here and other qualities he left as they are.

**Bengal Association of the Master Printers and Allied Industries,
Calcutta.**

(1) *Letter dated the 25th June, 1935.*

We have the honour to refer to the announcement by the Government of India (*vide* the Press) that certain matters in reference to the classification of paper have been referred to the Tariff Board.

Printing is an industry which perforce will establish itself in any country entering the arc of civilization, whether encouraged by Government or ignored or even actively discouraged. It has so established itself in India it can be safely said with little or no encouragement from Government. It might be further said that by its protective duties on paper, the printers chief raw material, the Government has actively discouraged the Industry in a way that no other Government of any other country has done.

The Printing Industry in some countries has natural protection in that the language of the country is peculiar to that country. In India the official language is English. This fact is not peculiar to India and we would draw attention to other countries similarly placed which have recognised the importance of printing by affording it protection, the United States of America being an extreme example.

A further handicap experienced by the Indian Printer is connected with the purchase and maintenance of the costly machinery necessary in the production of printed matter. All of this machinery has to be imported and it is subject to a revenue duty of 10 per cent. as also are the spare parts.

From the foregoing it will be seen that the Indian Printer under the existing circumstances runs his business under a very great handicap imposed on him by import duties. This handicap is not lessened by the fact that trade catalogues and advertising circulars imported by packet book or parcel post are admitted free as also are printed books, including covers for printed books, maps, charts and plans, proofs, music, manuscripts and illustrations specially made for binding in books. All of these items can and are being produced by the Industry in this country. In this connection we would draw attention to a practice which exists among publishers who supply text-books for the educational authorities. A text-book intended solely for use in India is accepted by the local branch of a publishing firm. It is put into type by the local printer, proofs corrected by the author and a small number of copies printed sufficient to get it established. Should the publication be widely accepted, special proofs in flat sheets are prepared and sent abroad to the home office of the publisher who then makes arrangements to print by photographic process the large editions required from time to time. Particularly does this occur when the language used is one of the Indian Vernaculars.

It is a curious commentary that the books so printed are not bound abroad but the printed flat sheets are imported into this country duty free. Having escaped the protective (or revenue) duty on paper advantage is taken of the cheaper Indian labour to bind the books.

We ask that all the items included in the Schedule under items 44 (4) and 45 (1) intended primarily for use in this country should be subject to revenue duty.

With regard to classification, this Association necessarily deplores in the first instance the necessity for protective duties at all on its main raw material. The Indian Printer has to pay approximately 50 per cent. more for his paper including Indian produced and imported paper than the British Printer, this in order to support an indigenous industry much smaller than his own. Seeing however that Government have decided to continue to protect the Paper Industry despite the setback such protection necessarily gives to the Printing Industry (thereby limiting the spread of knowledge and advancement of other industries through enhancing the cost of printed matter) this Association desires that the present basis of framing the schedule be reversed and that papers to be protected should be declared (these being comparatively few) so that the printing industry shall not be forced to bear protective duties on any paper which is not a vital product of the Paper Industry in India.

(2) *Letter without date.*

In accordance with the request contained in your letter No. 419 of 22nd/28th June, 1935, I am directed to submit the following replies to your questionnaire:—

1. The Printer primarily distinguishes printing paper from writing paper according to size as supplied there being a set standard of sizes for printing papers and a differing set of sizes for writing papers, although ledger paper and cream laid or wove which are both writing papers are supplied in printing sizes for the purpose of binding into ledgers. Of the second part of this question my Association has no specific knowledge.

2-4. No specific knowledge.

5-8. Reference to the balance sheet figures of Indian Paper Mill Companies prior to protection and those for the last five years will supply a good and sufficient answer to this question.

9. This Association suggests that the Paper Making Industry of this country be asked to declare those papers for which protective duties are sought. Such a list should be carefully scrutinized with a view to seeing that each item fulfilling the following conditions:—

(a) is now being made in India from a substance containing a high percentage of bamboo or are likely to be so made in the near future; and

(b) is now being made in India in sufficient quantities to warrant such protection.

Any class of paper not fulfilling both these conditions should not be afforded protection.

This Association further suggests that printed matter primarily intended for use in this country should be subject to revenue duty and should the paper on which it is printed fall within the protective duty classification it should be so dutiable in addition.

My Association would welcome the opportunity of giving oral evidence before the Board in Calcutta.

The Indian Journalists' Association, Calcutta.

Letter dated the 27th June, 1935.

The Indian Journalists' Association representing the interests of newspaper press in the country beg to submit its considered views on the question of classification of printing and writing paper for the imposition of protective duty which is now the subject of enquiry of the Tariff Board. Paper, both printing and writing, is an important medium for the spread of

education. In most civilized countries including the United States of America cost of paper for printing newspapers and mass literature is kept as low as possible and specially in America there is no import duty on paper. It is in India alone—though India is a country of appalling illiteracy and poverty—paper receives hardly any preferential treatment so far as import tariffs are concerned. The Association feels that the object with which the import tariff on paper was imposed has failed to produce the desired result. The Association proposes to deal with this aspect of the question later on. For the present purpose of the enquiry, however, the Association urges that in the matter of imposition of import tariff no distinction should be made between paper used for printing newspaper and paper used for printing books, periodicals, etc. The two kinds of paper may differ in quality but so far as their utility in the cause of education is concerned, they stand on the same footing. The Association, therefore, submits their views as follows:—

- (1) India has exceptional need for cheap paper and of her lower purchasing power on account of appalling illiteracy of countless millions of her people necessitating education and dissemination of news and information at lowest possible cost.
- (2) Government recognises this by admitting books duty free, but has counter-balanced this and handicapped Indian printing and publishing business by extremely high revenue duty on cheap papers and almost prohibitive protective duty on middle class papers. This action of Government distinctly encourages import of foreign printed matter at the expense of the local printing industry.
- (3) Protection has not resulted in the development of Indian paper industry, but has merely enabled existing companies to secure enormous profits at the expense of the Indian public and to the detriment of the Indian printers.
- (4) For these reasons protection should be confined to the few varieties of papers made in India. These should be specified and all others admitted at revenue duty. This is necessary to secure India supplies of paper at the lowest possible figure.
- (5) At present paper in India, which has a much lower purchasing power per capita, costs fifty per cent. more than in Europe. The high price secured by protection has definitely delayed the return to normal conditions which has been taking place the world over but which is denied to India.
- (6) The Indian Journalists' Association, while supporting the proposal for a reduction in duty on Newsprint, is unable to determine how this can be secured with justice to all the small newspapers and publishers who purchase their requirements from local dealers. No system of licensing of the requisite simplicity could prevent them from going out of business if the duty on their paper was enhanced.
- (7) The Association has no knowledge of the paper trade as such except in connection with the supplies necessary for its members' publications, but reiterates the great need for cheap paper for India and trusts that the Tariff Board will see that no steps are taken that will enhance the cost of any variety of paper for the benefit of a few firms who have for years had full order sheets and are able under the existing circumstances to make enormous profits.
- (8) The Association draws attention to the fact that the profit realised by the Indian Mills prove that the degree of protection (which is now equivalent to 70 per cent.) is far too high and urges that every step be taken to reduce it to a figure which while affording sufficient protection to the Indian Industry, will be more in accord with actual necessity.

- (9) The Association will deal with the Questionnaire published in the press as far as it concerns them and hopes to have the opportunity of giving oral evidence when the Board visits Calcutta.

Publisher's Association of Bengal, Calcutta.

(1) *Letter dated the 27th June, 1935.*

This Association has to point out to the Board that they are not direct importers of paper, but purchase their supplies from dealers in India.

The Association wishes to draw the Board's attention to the enormously high prices of Book papers in India as compared with other countries.

These high prices would be a serious handicap to the publishing trade in any country, but are infinitely more so in India where the purchasing power of the public is the lowest.

The Members of the Association understand that the Indian Mills are asking for this extension of the enormous protective duty of As. 1-3 per lb. to all printing papers. A more preposterous proposal cannot be conceived; as this will mean a final death blow to cheap publications and incidentally to primary education.

This Association begs to protest most emphatically against such extension of the protective tariff as the 70 per cent. cheap mechanical papers are absolutely necessary to the publishing trade for "proofs", advertising pamphlets, catalogues, and cheap publications.

If the Tariff Board will recommend and arrange for the extension of the non-protected classes of papers, then this Association is in favour, as this measure will lead to increased publication of books, magazines, periodicals, etc., and consequently increased employment in the publishing, printing and Book Binding trades.

(2) *Letter dated the 10th July, 1935.*

With reference to your letter No. 419, dated the 29th ultimo, I have pleasure in enclosing herewith six copies of my Association's reply to the questionnaire regarding the classification of paper for tariff purposes, which I trust you will find in order.

Enclosure.

1. It is difficult to answer; but those who are in the trade can normally tell the difference between printing and writing papers.

Generally printing papers vary in size, finish and substance, etc., from those of writing papers. In this country hard sized printing papers are also used for writing purposes and writing papers are sometimes used for printing purposes. But in certain class of printing papers writing cannot be done. For instance, Art Papers, Bible Papers, Mechanical Newsprint both white and tinted will not stand writing in Ink. Similarly writing papers, such as Cream Laid, Banks, Ledgers, Handmades, etc., are never used for printing Text Books, Fictions or other reading Books. In size printing papers are invariably bigger than the writing papers. In finish printing papers vary from very rough or coarse surface to highly glazed smooth surface like "Art" papers. Writing papers are made hard sized to stand writing, whereas printing papers are comparatively soft sized and in many instances much softer, so that no writing in ink will stand.

As regards other varieties of paper they are generally distinguished by their names, such as Cover papers, Kraft wrapping, M. G. Pressing, M. G. Poster, M. G. Manilla, glazed and unglazed coloured papers, etc. All

classes of paper serve more than one purpose and every class of paper can be printed upon and used for innumerable purposes. For instance Cover papers are used for Book-covers, Book-jackets, Folders, Book-end papers, Base paper for illustrations, etc. M. G. Posters, besides being used as Posters, are employed for making Envelopes, Bags and also for wrapping and binding purposes. Similarly, Kraft, Pressing and Manillas are also used for more than one purpose.

2. We cannot suggest a more suitable definition of printing paper than "Printing Paper" itself.

Almost every kind of printing is done in India now; such as Letterpress, Process, Lithography, Offset, Photo Litho, Die Printing, Copper Block Printing, etc. Letter Press printing can be done on all classes of paper. Offset Lithography can also be done on various grades of paper. Ordinary Litho printing can be produced even on newsprint, but for high class Litho printing, high class and special Lithopapers are necessary. For Process printing highly supercalendered papers, Art papers and chromo papers are required. Die and Copper plate printings are invariably done on better class writing papers for Letter Heads, etc.

3. The definition of Newsprint should be under the head of "Printing Paper" as it is definitely and to all intents and purposes a printing paper. It is used for printing News Papers, Cheap Magazines, Periodicals, Literatures, Juvenile Text Books, Religious publications, Indian Almanacs, Catalogues, Advertising leaflets, Hand-bills, and "Proof sheets" for all printers.

It is imported in white and in tints of various colours from very thin to thick substances from about D'Demy (22×36) 16/17 lbs. in weight per Ream, in several standard sizes, both in coarse and supercalendered finishes. The coloured newsprints are used for decorative purposes, insets, handbills, wrappings and also for pasting on straw and other cheap Boards for Box-making, etc.

4. This question does not arise now after the imposition of "Protective duty". In many instances the Indian Mills' papers have almost replaced the imported paper although their qualities are still far behind, compared to their selling prices.

5. The Indian industry is not in the least affected and the Indian Mills cannot possibly have any grievance against printing paper containing 70 per cent. Mechanical Wood Pulp, which they even never attempted to manufacture. This paper never clashed with the products of the Indian Mills as it is altogether a different class of paper which never competed or clashed against the imported "wood free" papers before the "Tariff" came into existence. In fact it is a much inferior grade of paper in every respect and can never occupy or replace the "wood free" papers or the Indian Mills' products. This paper is used for the class of work which I have already stated in my reply to question No. 3. Consequently no harm could possibly have been done to Indian industry by the importation of this paper. It would be extremely unfair if in the name of "protection" this paper is brought under the arms of "Protective duty". It will mean the ruination of an immense trade and seriously jeopardise the mass and primary education of the country without any gain to the Indian industry.

Both the trade and education are already smarting under the existing "Protective duty" which is not only most unfair but unparallel, as in almost all civilized and paper producing country this paper is either duty free or only a nominal import duty is imposed.

6. As this a highly technical question, my Association does not feel competent to express any opinion in the matter.

7. My Association has no knowledge about the annual output of the Indian Mills; but a reference to the various specimen Books of the different Mills, will reveal the qualities they generally manufacture.

8. The most competent authorities to answer this question would be the paper merchants and traders.

9. Our suggestion is that the classification for tariff purposes, should be so made, as to include only the qualities generally marketed by the Indian Mills which should come under the "Protective Tariff". The rest of the papers should be unprotected and duty should be assessed on their invoice values. We suggest that the best method of determining these papers is to have a round table conference of all the interested parties.

The Burmese Chamber of Commerce, Rangoon.

Letter No. 571/T./35, dated the 22nd June, 1935.

Re : ENQUIRY UNDER BAMBOO PAPER INDUSTRY PROTECTION ACT, 1932.

I am directed to state that in the course of your enquiry into and report on the above subject, Burma's peculiar situation may not be overlooked, and if possible to exclude Burma from the operations of any of the recommendations that your Board may have to make, pending the delay in the separation of Burma from India.

As you are fully aware, Burma is a pure agricultural country and thus any protection that you may recommend for the protection and interests of industries in India proper, has an adverse effect on the consumers of Burma. With regard to this particular question of paper industry, this Chamber understands that the paper manufacturers of India do not produce cheap newsprint papers which are in common use by all the Burmese papers in Burma. Thus the protection will cause much hardship to the Burmese presses.

Hence this Chamber desires to lodge its protest against the levy of any protective duties on cheap newsprint papers, and in case the Tariff Board feels that Indian industries need real protection, a special clause be made that Burma may be excluded from the operations of the Act.

Bengal National Chamber of Commerce, Calcutta.

Letter No. G. I./10-M., dated the 30th July, 1935.

CLASSIFICATION OF PAPER.

I am directed by the Committee of the Bengal National Chamber of Commerce to refer to Resolution No. 202-T. of the Department of Commerce, Government of India, dated the 25th May, 1935, on the subject noted above, and forward to the Tariff Board the following observations of the Committee in connection therewith. The Committee do not propose to submit in this connection an inventory of different descriptions of paper such as should enjoy the benefit of a protective tariff, as suggestions on the score would more appropriately be forthcoming from individual traders and manufacturing concerns interested in paper. The Committee would, however, like to invite the attention of the Tariff Board to certain general considerations *germane* to their present investigation, and I am to express the hope that the points urged hereunder will receive due consideration at the hands of the Tariff Board in coming to a decision on the subject of investigation referred to them.

2. The Committee endorse the view of the Government of India as conveyed in the Resolution of the Department of Commerce No. 202-T. (28), dated the 3rd February, 1932, that the definition of various classes of paper

proposed to be brought within the scope of the protective tariff "should indicate as precisely as possible the intention of the Legislature and should be so framed as to include any such articles as can be produced economically in the country or may compete with an indigenous product". The Committee also approve of the suggestion of the Government of India that "for this purpose the trade usage provides no guide". The Committee, however, feel that while these observations of the Government of India are indicative, in general terms, of certain basic principles governing the grant of protection to indigenous industries in accordance with the fiscal policy of the Government, the application of these principles to particular instances must needs take into account the peculiarity of attendant circumstances of the industries concerned. The Committee feel that, as a rule, in the present condition of the industrial development of India, the Tariff Board should take a very sympathetic view of the claims of industries for protection, in arriving at a decision on the advisability or otherwise of recommending protective tariff for them. Some measure of leniency is particularly called for in determining the extent to which the industries applying for protection should meet the requirements of domestic consumption, and also in appraising their dependence on imported raw materials. Any tests adopted by the Tariff Board in respect of such points of consideration should be flexible enough so as to accommodate the special circumstances of particular industries. For, it need hardly be stressed that an orthodox adherence to any inexorable tests laid down for such considerations may seriously restrict the fruitfulness and benefit of the tariff policy adopted by the Government of India. Indeed, a stringent application of such tests may, contrary to the avowed object of the tariff policy of the Government, preclude the very possibility of bringing many of our deserving industries within the orbit of our protective tariff, thus imposing a brake on the expansion of indigenous industries in this country.

3. The Committee, however, feel that while the considerations stated in the preceding paragraph should weigh with the Tariff Board as matters of principle generally to guide their investigations, the case of paper appears to them to present certain unique features which should deserve a special consideration at the hands of the Tariff Board on its own merits. The purposes for which paper is used easily distinguish it from other commodities as far as the standpoint of the consumers is concerned; manifestly not many parallels can be cited of such an instance in any country. The general presumption that the grant of protective tariff to an industry must needs entail a burden, however short-lived, on the consumers which the latter should bear with complacency in the ultimate economic interest of the country, must seriously reckon with the unique character of consumers' interests involved in the case of paper. A protective tariff in this case would not only entail an economic sacrifice on the part of the consumers but it will also extend a restrictive influence on the advancement of learning and, *inter alia*, on cultural progress. The Tariff Board is here called upon to make the most delicate adjustment between the manufacturing and consuming interests. The Committee of the Chamber would in this connection suggest that having regard to the gravity of consumers' interest in the present instance the Tariff Board would be well advised to make an equitable adjustment between the two conflicting interests by endorsing the principle that no protective duty should be levied on the kinds of paper that are not locally manufactured at present, or of which the proportion of local manufacture is extremely limited compared to their total consumption in India, having, further, no prospect of quick and substantial expansion in the near future even with the help of a protective tariff. The Committee appreciate that the adoption of such a principle may entail hardship on some concerns manufacturing a small quantity of paper of the aforesaid description, but they feel that the claims of such concerns are outweighed by the claims of sundry industries dependent on improved paper, even apart from the consideration of interests of general consumers.

Messrs. A. Bonner and Company, Calcutta.

(1) Letter dated the 22nd June, 1935.

Learning that under recommendation of the Indian Paper Makers' Association the Government has empowered your Board to enquire about the revision of the existing definition they demanded on News Printing Paper we beg to submit below the following facts which will no doubt receive the matured consideration of your Board before the recommendation made by the Indian Paper Makers' Association is finally considered.

We understand that in place of the present definition of the News Printing Paper they suggested to replace it as follows:—

Weight—500 sheets each 18×22 should weigh not less than 14 lbs., nor more than 17 lbs.

Reals—To conform to the same substance limitation as sheets, and shall be in rolls not less than 16" wide and 28" in diameter.

Stock—Not less than 70 per cent. of the total fibre shall be ground wood (Mechanical Wood Pulp) and the remainder shall be unbleached sulphite. The stock may be bleached.

Ash—shall not be more than 2 per cent.

We further understand that the Collector of Customs, Calcutta, is of opinion that the proposed definition by the said Indian Paper Makers' Association, appears to be a practicable one.

Although we admit that there will be no difficulty to test the paper by Customs authorities and they are quite competent to test the News Printing Paper according to the proposed definition suggested by the Indian Paper Makers' Association, as even now this quality paper is subjected to stand the test of Customs authorities and to find out the percentage of Ash is not at all a difficult problem for them. But we think the Collector of Customs has never expressed his opinion about practicability of the proposed suggestion required by the Association to baffle the intention of the Legislature in granting protection to printing and writing paper under the Bamboo Paper Industry (Protection) Act, 1932.

We think that the definition proposed is neither practicable nor it will come under the meaning of the Act of 1932.

The definition stipulated that the weight of this paper shall not be less than 14 lbs., in size $18'' \times 22''$ —500 sheets which comes to substance 49.7 grams per square meter and not more than 17 lbs. which comes to 60.4 grams per square meter and therefore the intention of the Paper Makers' Association is to restrict importation of paper below 49.7 grams and over 60.4 grams per square meter of any size. If the weight of the paper is made the basis of having Protective duty it will create a great hardship to the importers without giving any relief to the Paper Makers' Association as in India these News Printing Paper is imported in various substances from 25 grams to 48 grams generally although the Indian Mills do not make the quality and will not be interested to make same in the near future. If the definition proposed is accepted it will affect the import of this News Printing paper. For example Calcutta imports White News Printing in 17×21 —6 lbs.=500 sheets and various other sizes and substances, Punjab and United Provinces use large quantity of Buff besides White News Printing in size 17×22 —7 lbs. and up and in Bombay they generally import in all sizes and substances. The thinner substance is generally imported with a view to give to the public more printing matter at less cost. The substance and the quality of paper thus used do not come under the purview of Legislature which passed the Bamboo Paper Industry (Protection) Act of 1932 and therefore the recommendation of the Indian Paper Makers' Association should not be accepted.

The new definition is suggested by the Paper Makers' Association on the ground that the object of protection is being vitiated by imports or

large quantities of paper under Sec. 113-A for purposes other than for the production of Newspaper. The Paper Makers' Association are taking the advantage of the faulty classifications of the tariff. They should seek an amendment of the classification of the tariff schedule rather than the demand of a new definition of the News Printing Paper which as we have shown above cannot answer the requirement from the importers' point of view. The Indian Paper Industry was never meant to be protected against qualities of Mechanical Paper that could be imported under £14 per ton c.i.f. c.i. Indian ports and we cannot understand why such paper will be subjected to a duty of As. 1-3 per lb., i.e., Rs. 175 per ton when the cost of paper itself will not exceed to Rs. 186 per ton c.i.f. c.i. Indian ports. Such imposition will not give any relief to Indian Paper Mills when they do not make such cheap paper in India as the cost of their cheapest quality of wood free printing is about Rs. 430 per ton. A large quantity of mechanical printing is imported at prices £9 to £14 per ton for use in cheap printing work and as people of the country are very poor we cannot understand the meaning why the Indian Paper Mills who are no doubt making huge profits for themselves seek to increase the value of the imported paper, other than the qualities they make instead of reducing the value of their paper, specially when it was proved that since the protection was given instead of developing the Bamboo Paper Industry in India they continually imported more and more wood pulp from other countries and made enviable profits at the cost of the poor public.

It is the intention of the Government and Public as well to help the people of the country to be educated and as the general mass in India are very poor the cost of education should not thus be increased in such artificial way when the proposed definition will not only hamper the progress of education it will be the extra burden on the shoulder of the people of the poor country to educate their wards specially in these days of hardship and unemployment.

This paper is imported regularly from years long before the protection was given to the Paper Industry and they cannot be said that these are newly imported to evade the meaning of the Bamboo Paper Industry (Protection) Act of 1932. It will be grossly unfair to the Printing and Publishing trade also to make import of such paper impossible and unnecessarily increase the cost of publications, etc., for the benefit of the Indian Paper Mills only who are not only taking the advantage of the Protective duty, without making any development of the Bamboo Paper Industry for which the protection was given, they gradually checked the progress of Indian Paper Industry by importing larger quantities of Pulp from the foreign countries at cheaper rates and by paying less duty on the pulp they import. They thus made big profits which will be proved from the value of their shares. Titaghur share which was only Rs. 9-8 a couple of years ago is, now raised to Rs. 22 and if enquiries be made it will show the values of the shares of other Mills also have considerably been increased.

Lastly we should say that if the proposed definition is accepted it will not only vitiate the intention of the legislature which passed the Bamboo Paper Industry (Protection) Act of 1932, but it will impose extra duty on qualities on which it was never the intention of the Government also to give protection to the Indian Mills. In conclusion we hope that considering the facts stated above the proposed definition should not be accepted in place of the old one.

(2) Letter dated the 9th July, 1935.

In reply to your letter No. 419 of the 27th ultimo, we beg to send you herewith the answers (with five spare copies you demanded) to the questions you placed before us on behalf of your Board.

Enclosure.**ANSWERS.**

1. Paper generally made both from cheap Mechanical Wood Pulp and Woodfree Pulp are used for Printing purposes. The Writing Papers are made from Woodfree and other costly Pulp.

Excepting the paper made from Mechanical Pulp all higher grade papers are made from Woodfree and other costly Pulp and can be used both for Printing and Writing purposes, such as Bank, Bond Ledger, Art Ivory Finish, etc.

2. In our opinion the paper made of Mechanical Pulp should be called Printing Paper as no useful purpose can be served on this paper which get discoloured in no time and has little strength.

In India besides (a) Book Printing Paper used for printing, (b) Posters, (c) Handbills, (d) Letter Papers, (e) Contracts, (f) Pamphlets, (g) News-printing, (h) Forms, (i) Bills, (j) Invoices, etc., etc.

(a) Although school and other useful books are printed mostly in Wood-free Papers some cheap books, etc., are printed in paper made of Mechanical Pulp.

(b) Posters are printed both in Woodfree and Mechanical qualities.

(c) These are mostly printed in paper made of Mechanical Pulp but in some cases people use Woodfree Paper for special purpose.

(d) Papers made of Woodfree and other costly Pulps are used for Letter Papers, etc.

(e) Contracts are printed in Woodfree quality.

(f) These are printed both in Woodfree and Mechanical Paper. For good work people use Woodfree Paper but for ordinary purpose some also use paper made of Mechanical Pulp.

(g) These are always printed in Mechanical Paper but good journals are printed in Woodfree qualities only, while cheap journals are printed in Mechanical Paper.

(h), (i) & (j) All the papers used for these items are made of Wood-free Pulp.

3. In our opinion all papers made mostly with Mechanical Pulp should be called Newsprinting as this quality paper cannot be used for writing purposes nor any useful purposes can be served by writing or printing on this quality.

4. Besides printing Newspapers the Mechanical Paper is used for printing cheap literature, journals, handbills, etc., but for any good work people always use Woodfree paper.

5. Since the protective duty was imposed people generally use for writing and good printing locally made paper although for some special purpose some qualities are imported such as Art Paper, Posters, etc.

6. We do not consider that importation of Mechanical Paper has caused any harm to the Indian Mills who never make the quality themselves and which from time long before the enforcement of Protective duty used to be imported from foreign countries to serve the purpose other than the purposes where papers manufactured in Indian Mills are used.

In support of the statement given above we should say that since the imposition of Protective duty on all imported Woodfree Paper (no matter whether all such qualities are manufactured by the Indian Mills or not) the local mills made enormous profit for themselves at the cost of the poor public who could have met their requirements at cheaper cost. Besides if an impartial enquiry be made we think it can be ascertained that by gradually increasing the import of Woodfree Pulp from other countries the local mills instead of developing the Bamboo Pulp Industry Mills instead of developing the Bamboo Pulp Industry in India for which the protection was allowed they tried to benefit themselves by making papers mostly from Imported Pulp, depriving the public to import such paper at cheaper

cost by imposing the Protective duty on foreign paper made of the same Pulp they import.

7. We have no grievance over the method adopted by the Customs Authorities to test the paper in their laboratories. Expert chemists or impartial paper makers may say if the adopted method has any defect.

8. We do not deal in country made paper and we therefore cannot answer this question.

9. (a) Only the Woodfree qualities imported papers may compete with the local mills paper and no other.

The import of such paper has greatly decreased since the protection was given. Only such qualities of Woodfree Papers are still coming out from other countries which the local mills do not make or which they make of inferior grade such as Letter Papers, Ledger Papers, etc.

Although we cannot give the idea when and what quantities of such papers were imported but if any enquiry be made to the right department of the Government who keeps the statistics, details can be had from them.

(b) The average price of ordinary quality Woodfree Paper in 1931-32 was about £25 per ton c.i.f.c.i. which quality can now be imported at about £22 per ton c.i.f.c.i.

Bank, Bond and Ledger Papers could be imported in 1931-32 at an average price of £28 per ton c.i.f.c.i. Whereas these qualities can now be had at about £24 per ton c.i.f.c.i.

The current average price of Unglazed Newsprinting Paper from substance 25 to 50 grams is about £12 per ton c.i.f.c.i. and for Mechanical Glazed White Printing, which cannot be made below 48 grams, the average price is £11-2-6 per ton c.i.f.c.i. The coloured Mechanical Glazed Printing of same substance is about £13-10 per ton c.i.f.c.i.

The present duty on the Newsprinting Paper is 25 per cent. on As. 1-3 per lb. besides other landing and clearing charges to be added to find out the cost.

The present duty on Coloured Printing is 30 per cent. on market value besides the landing and other charges to be added to find out the cost.

10. In support of last recommendation and Government resolution thereon we think there is no cause arised at present to give further protection to the Indian Mills as the present classification of paper for tariff purposes has proved more than sufficient to protect the interest of the Indian Paper Mills from foreign competitions, specially because in the name of developing the Bamboo Pulp Industry in India they got the benefit of the Protective duty on almost all the grades of Paper, although they do not make all those qualities themselves, and making out papers in their mills mostly from imported pulps at a less cost to them. Thus the Government had to lose their revenue by prohibiting the Import of such papers and by prohibiting the public to educate their wards in these days of hardship due to the imposition of heavy duty on such paper used to be imported from other countries at lower cost.

Messrs. Basu Brothers and Company, Calcutta.

Letter dated the 29th June, 1935.

In reply to your letter No. 419 of the 22nd instant we are paper merchants largely dealing in papers for Cinema Publicity. We do not know what is prepared in regard to the classification of papers but we do wish to protest against the high cost of all classes of papers in India due to the heavy duties. It has been found in practice that imported papers give far better results for publicity such as is necessary for the Film Industry than Indian paper and any addition to their cost must re-affect on this young but important Indian Industry.

We therefore record our protest against any increase in the classes of protected papers and pray for reduction in those classes which are already protected.

Messrs. B. K. Pal and Company, Calcutta.

Letter No. 18495, dated the 2nd July, 1935.

CLASSIFICATION OF PAPER.

In reply to your letter we have now had an opportunity of viewing the proposals of the Indian Paper Makers' Association and the more we examine these, the more we are amazed.

If we are to believe that the Indian Paper Makers are sincere in their proposals, then we can only believe that they are consumed by a supreme animosity against all Indian Industries, other than their own.

We as one of the large industrial concerns in Bengal, have produced a Bengali Panjika from 1808 B. S. long before Protection was considered.

This Panjika has always and can only be printed on a mechanical news in a thin substance of paper $22 \times 36 - 22/24$ lbs. 500's, yet although the Indian Mills are aware that they can offer nothing to replace this paper, they ask for it to come under the Protective qualities.

The facts which apply to our Bengali Panjika, apply to the whole of Bengali Panjika Industry which is in danger of extinction if the proposals of the Indian Paper Makers' Association are accepted, which in turn means a loss of employment and the loss of capital to many engaged in an industry which never has and never can utilise paper made in India.

We, therefore, protest against any alteration in the definition of Mechanical Printings which does not take these facts into consideration.

Madras and Southern Mahratta Railway Company, Limited, Madras.

Letter No. P./6, dated the 5th July, 1935.

Re CLASSIFICATION OF PAPER.

In reference to the recent Press notices on the above subject, as a buyer of paper of various grades in considerable quantities, I venture the opinion that the classification of paper should be so arranged that only that manufactured by the Indian Paper Mills should be subject to a Protective tariff.

A large proportion of the paper used by this Railway Company is of Indian manufacture, but a certain quantity is required of 70 per cent. Mechanical quality, which is imported. This, I submit, should not be subject to the Protective tariff because the Indian Mills cannot manufacture the class of paper.

Messrs. Rahimuddin H. Abdul Karim, Calcutta.

Letter dated the 6th July, 1935.

We are in receipt of your letter No. 416, dated the 20th June, and in reply beg to inform you that there is no necessity to alter the present form of paper classification, which has worked satisfactorily for the last few years.

If, however, there is any question of altering the duty then we are in favour of a reduction both on the protective and on the non-protective.

Due to trade depression with heavy fall in the prices of agricultural products, the Indian Public are now unable to purchase stationery exercise books, note books, etc.

Please therefore register our protest against present high prices of all papers both local and imported.

Printing Materials Store, Bombay.

Letter dated the 8th July, 1935.

I, Nanalal Vishwanath Pathak, solemnly declare that I have worked in Messrs. John Dickinson & Co., Ltd., Kumpta Street, Bombay, since 1909 to 1923 as Stock-clerk, Godown-keeper and Salesman chiefly dealing in paper.

Since 1923 to 1927 I worked as Manager and Partner in the Firm, the Krishna Paper Mart, and now I am working in the Printing Materials Store, 89, Princess Street, chiefly dealing in Mander Bros.' Printing Inks and Paper and interested in paper lines.

With regard to Paper Industry I beg to write you as under:

Before replying properly as required by you I wish to put some introductory lines as under:

Paper and similar other articles are mainly manufactured from:—

- (a) *Mechanical Wood Pulp*.—Unglazed and glazed newsprinting paper coloured glazed or unglazed newsprinting paper.
- (b) *Woodfree Chemical, Wood Pulp and Esparto Grass Pulp*.—Superior printing paper (machine finished and super calendered). Writing paper white and coloured either laid or wove, with or without water-mark, imitation art—white and coloured, banks, bonds, ledgers, etc.
- (c) *Bamboo Pulp and Sabai Grass Pulp*.—Superior printing and writing both laid and wove and white and coloured as manufactured in India.
- (d) *Cotton Rags*.—High grade writing paper.
- (e) *Waste-paper Pulp*.—Cheap paste boards, cheap cover papers.

The price of paper generally depends upon what quality of pulp is used, in making, cost of chemicals used, labour charge both manual and transportation charges on raw materials to the factory.

As for the questionnaire I beg to reply as below:

1. There is no hard and fast rule in trade practice to distinguish printing paper from writing paper except that all writing paper known as foolscap only are with laid lines and some water-marks. The main distinguishing feature is that a writing paper is made hard sized in a way that the writing ink does not penetrate through the body of the paper and seen on the other side of the paper and printing paper is made soft so that it can easily take printing impressions of type nicely.

Printing paper is very seldom used as writing paper but writing paper (foolscap cream laid) is only often used in printing Government and State publications.

2. As for the suitable definition of paper, as the price of paper chiefly depends upon the kind of pulp used, it will always be in the interest of and beneficial to all concerned to distinguish these items by way of raw materials used.

Mechanical Wood Pulp Printing Paper.—In which the Mechanical Wood Pulp amounts to not less than 70 per cent. of the fibre content. Glazed or unglazed, white or coloured laid or wove.

Woodfree Printing Paper (excluding chromo, marble, flint, poster and stereo).—All sorts of paper which contains no Mechanical Wood

Pulp or in which the Mechanical Wood Pulp amounts less than 70 per cent. of the fibre content.

Coated and Enamelled Paper and Boards.—Coated on one side or two sides both white and coloured. Inside body of paper being free or Mechanical Pulp, i.e., art paper and art boards, chromo paper, chromo boards, flint paper, marbles and similar kind of paper.

Woodfree and Rag Pulp Writing Paper.—All under one heading.

Packing and Wrapping Paper.—Machine glazed pressing. Manilla, machine glazed or unglazed and sulphite papers. Tissues. Krafts and imitation kraft. Vegetable parchment, grease proof, cellophane and other fancy wrapping.

Paper, Paste Board and Stationery.—Paper, articles made of paper and paper machine, paste boards, mill boards, leather boards, white grey pulp boards, all sorts of other than straw boards.

3. *Definition of Newsprint.*—It is a paper made mostly from Mechanical Wood Pulp. *Rough surfaced, machine finished surfaced*, as well as *glazed surfaced*. It is always used for publication of Daily and Weekly Newspapers and cheapest publications of books, imported in reels and sheets.

Coloured news generally called as coloured glazed and coloured unglazed with deep and light colours. Deep coloured generally used for hand-bills and light coloured for newspapers, and cheapest magazines pamphlets and Urdu books for Mahommadan religious books.

The largest consumption is for newspaper, some for hand-bills and very little for publications of cheap books. I do not know that this paper is used for any other purpose, but at the same time there cannot be any hard and fast rule for usage as I have seen during War-time cheap brown papers were also used for printing and writing paper.

4. As far as I know from experience since 1909 *printing paper and writing paper of ordinary price manufactured from Woodfree Pulp* and of little higher price made from Esparto Pulp (chiefly foolscap) which were imported in large quantities chiefly from Great Britain, practically lost Indian market, and sale of Indian pulp paper has increased to large extent.

5. The exemption of protective duty on newsprinting containing not less than 70 per cent. of fibre contents has created no harm to the Indian industry but on the contrary the sale of Indian products has increased to large extent.

I am not in a position to give any relevant figure as it is quite impossible for any businessman.

You can only find out from the sale of Indian Manufacturers whether their sale is increased or decreased and whether the Mills are making profit or loss.

6. I have no knowledge of the method known as "Spence and Krauss" now used by the Customs authorities to determine the Mechanical Wood Pulp contents of printing paper.

I for myself had no troubles but I have heard in Bombay Paper Market that mechanical coloured glazed printing ordered out by one and the same Firm in two to three different shipments were tested, had different results and hence separately assessed. I myself not being a paper-chemist, am unable to suggest anything in the matter on technical ground, but to overcome such difficulties the best way is that there should be an Advisory Board of Independent Merchants to assist the Custom authorities whose advice from time to time will help for right assessment, and to avoid such disputes which may occasionally arise.

7. (a) The Indian Mills are at present chiefly manufacturing the following:—

Woodfree Printing Paper.—Glazed white printing, antique white printing, cream laid and cream wove. Badami printing, super calender printing imitation art—white and coloured.

Woodfree Writing Paper.—Cream laid foolscap, Badami writing foolscap, blank paper—white and coloured, ledger paper.

Cover Papers.

Blotting papers.

I am not in a position to give the figure of output in any case. You can only have these from various mills concerns. But one thing is certain, at present Indian paper is sold in large quantities in India and foreign import is being reduced both for writing and printing day by day.

(b) I am not a chemical expert and hence am unable to give details.

8. (a) The competition between Indian manufactured papers and foreign manufactured paper is for woodfree printing and writing. Both white and coloured but as far as I know the foreign import is getting less and less.

(b) Owing to certain reason I have stopped dealing in these and hence unable to give details.

9. As for the classification of papers for tariff purposes please refer to my reply against item No. 2 on pages 3 and 4.

In short as far as my experience goes in this line that the protection granted to the Indian Industry has turned out quite adequate and the result is quite obvious that Indian manufactured paper is sold in large quantities, where British printing and writing were imported some years back.

The mechanical newsprinting and woodfree paper differ so much so in quality, strength, look-through, etc., that even an ordinary man can distinguish between the two and cannot be sold one for the other.

The standard of mechanical newsprinting should be sustained as it is now and should not be deteriorated under any circumstances, as illustration printing has been introduced in the newspaper world since last few years.

In the interest of all concerned it is quite necessary that all roams of paper should be stamped with bold type nearly $1\frac{1}{2}$ ", Size, Weight and Sheets, by Indian manufacturers and similar laws should be passed for all paper and articles imported. At the same time these Indian manufacturers should work on trade-terms adopted by those of British and Continental manufacturers and these terms should be binding both on manufacturers and buyers. These are in the interest of general buyers who may not be cheated by way of false weights either by manufacturers or dealers.

Messrs. Kamala Book Depot, Limited, Calcutta.

Letter No. L./23, dated the 10th July, 1935.

With reference to your letter No. 419, dated the 28th June, 1935, we beg to submit herewith my answers to the questionnaire drawn up by your Board in connection with the enquiry into the classification of paper for tariff purposes in six separate sets of sheets for favour of your kind consideration.

Enclosure.

1. We are only interested in letter press printing including half tones for book and catalogue purposes. For this we use newsprint, mechanical printings, woodfree printings and coated paper. The only difference we find between printing and writing paper is that printing paper is usually a little more absorbent than writing paper but not always and the surface of writing paper is always suitable for writing whereas some printing papers are not suitable. Most other papers are so different that there is no difficulty in distinguishing.

2. We do not feel able to suggest a definition for printing paper. All kinds of printing that we know of are carried out in India. Newsprint and

mechanical printings are used for newspapers, cheap novels, catalogues hand-bills, bill forms and religious publications as well as magazines and cheap educational works.

Regarding religious publications, we beg to state that they are printed in newsprint and mechanical papers, as a result of which these publications are obtainable by the mass literate people at the lowest possible prices.

Similarly, books intended for Primary Education, specially for the beginners, are also printed in these classes of paper, which helps a great deal in the cause of spreading Primary Education in this country. But if these papers are brought under the arms of "protective duty" the mass people as well as the major portion of the beginners of education, who are generally very poor in this country, will be badly deprived of their noble attempts at the very outset. These papers, we think, should therefore be absolutely duty free for reasons stated above.

Woodfree printings are used for letterpress printing and better class books and educational books. Special papers are used for litho work but sometimes ordinary printing papers are used for this purpose. Quoted papers are used for process work and for lithography. Wrapping papers and poster papers are also printed on as well as for other purposes.

3. Newsprint should include all printing papers which are so cheap that even including the duty of one anna three pies per pound they come below the price of papers made by the Indian Mills. Because the Indian public should have advantage of buying at the cheapest possible rates all papers that do not compete with Indian made goods. Newsprint is imported in white and coloured from very thin to very thick. It is used for wrapping, decorating and very largely for cheap work such as, catalogues, educational and religious books and all kinds of cheap literatures where price is more important than durability.

4. We do not know.

5. It is not possible for paper containing not less than 70 per cent. of Mechanical Wood Pulp to compete with Indian industry. Nobody who is producing work which requires a woodfree paper can think of using a newsprint paper. If any one has bought newsprint where he has used wood-free papers before it must be because he is no longer able to get his former price on account of business being bad.

6. We do not import direct and so do not know about the Spence and Krauss method.

7. We do not know.

8. Woodfree printings from England, Norway, Sweden and Germany. We cannot answer the other items in this question.

9. We cannot suggest a scheme of classification but we think it should be drawn up so that all cheap papers should come into India at the ordinary duty and that this might be possible if all printing and writing papers costing less than a price to be decided by the Tariff Board were to be admitted at the usual rates of duty and all other printing and writing papers at anna one and three pies. This should not apply to papers which are not made in India such as coated papers and M. G. papers. All other papers besides printing and writing should pay the ordinary duty.

We use imported papers for our better class books as the quality is superior and although it is more costly, we have to use it on account of the regularity of quality. Some of our books are printed in sections over a long period and we must be able to get the same colour and quality of paper all the time. We cannot rely on Indian made paper for these qualities.

"Newlight," Rangoon.

Telegram dated the 10th July, 1935.

Reference No. 419. Our reply same as Burmese Chamber.

Dr. Bose's Laboratory, Limited, Calcutta.*Letter No. 7205, dated the 31st July, 1935.**Re CLASSIFICATION OF PAPERS.*

We are glad to have an opportunity of viewing the proposal of the Indian Paper Makers' Association.

While going through the same, we cannot but doubt their sincerity in purposes and if there is any trace of it, it is for their own industry alone, but entirely detrimental to other Indian Industries as related to it.

With the object of preaching elementary principles of health and prevention of diseases, we have been publishing two well-known health magazines, one in Bengali and the other in English, since 1912. These are for educated people all over India.

For general public, we have been publishing Bengali Almanac since 1923, one large, 50,000 copies, another small, 2 lacs copies, per year. These Panjikas contain valuable reading matters, dealing in health subjects, rural re-construction, agricultural and cottage industry, etc., and hence they have gained popularity among the mass and have got a wide circulation all over India.

These publications are printed in mechanical papers and so we are enabled for its wide distribution. As there is no paper to the Indian Mills, to replace these mechanical papers, which are now being used, the protection as proposed will put a stop to these valuable publications and it will be a great loss to the public.

So we protest against any alteration in the definition of mechanical printing which does not take these facts into consideration.

Messrs. Capitol Distributing Company, Bombay.*Letter No. nil, dated the 25th July, 1935.*

We beg to bring to your notice that the Paper Merchants are taking undue advantage of the buyers regarding weights of the Reams, etc., and therefore we beg to suggest you that the public would be benefited if each Ream in each Bale is marked and labelled with the Makers' sizes, weights and number of sheets per Ream and last but not the least the country of origin with the Dealers' or Importers' name if possible.

The Pioneer Box Factory, Cawnpore.*Letter No. 321/35, dated the 30th July, 1935.*

It has come to our notice that the Indian Paper Mills have proposed that Boxboards should come under the Protective Tariff.

We are an Indian concern, manufacturing boxes and we are willing always to utilise Indian made materials when they are available.

Unfortunately in the case of Boxboards, the variety of qualities which are required, are so great that there is no possibility of manufacturing at a reasonable price in India and, as boxes are used by a very large number of the smaller Indian Industries, we hereby protest against their inclusion in the Protective Tariff.

H. E. H. The Nizam's Government, Hyderabad.

Letter No. 7189, dated the 20th July, 1935.

Re ENQUIRY INTO THE CLASSIFICATION OF PAPER FOR TARIFF PURPOSES.

Referring to your letter No. 428, dated the 24th June, 1935, addressed to the Chief Chemist, Industrial Laboratory, on the above subject, I am directed to forward herewith 6 copies of replies together with 6 copies of graphs received from the Chief Chemist, and to say that the replies should be treated merely as the views of our Paper Expert, and not of Government.

Enclosure.

Reply to the questionnaire of the Indian Tariff Board in connection with the classification of papers.

Since it is realised that manufacturers and importers are in a better position to answer the questionnaire of the Tariff Board item by item as they can supplement their answers with samples a general reply with suggestions is herewith given which, it is hoped, might be of interest.

1. Whilst there are certain classes of paper which present as good a surface for printing as for writing and can thus serve a dual purpose, generally speaking, trade practice differentiates writing and printing paper according to their "Size" and "Sizing". Both printing and writing have their own particular standard of "Sizes" with a few exceptions common to both but cutting to size alone will not convert a printing into a writing paper or vice versa. Writing inks are aqueous and printing inks oily. Hence paper meant for writing purposes is well sized and as this water resistance is not generally essential for printing it does not follow that all well sized paper is only writing paper.

There are other properties as well, like surface, finish, substance, feel, etc., which enable those in the trade to tell by experience what particular purpose a certain paper will be suitable. These tests may be said to deal with the character reading of a paper from its physiognomy and being empirical are not easy to define.

In a country like India where cheapness is perhaps the only consideration, newsprint or other common paper is used for all kinds of printing irrespective of whether the paper is suitable for the particular printing or not. Luckily these cheap unsized and soft sized papers cannot be written upon by ink and are not therefore generally used for writing purposes although there are several instances where if the pen fails to function, the pencil takes a hand and we find scribbling pads and children's rough note books, etc., made from "Newsprint".

2. Printing paper may be defined as paper whose characteristics of surface finish and absorbency permit quick and perfect register during printing.

Such a definition obviously includes newsprint and as this paper stands in a class by itself all printing paper should be divided into two classes "Newsprint" and "Non-newsprint" the latter to be called "Printings". "Printings" will thus come to mean finer printing paper.

The main printing processes are letter press from raised type, litho (and off-set) from a flat surface, and Intaglio or Gravure from an engraved plate. At present letter press is the most extensively used with litho coming next. The Intaglio or Gravure being occasionally employed.

As already mentioned neither the Indian printer nor his customer seem to be particular about the quality of paper required for the job so long as the work can be done cheaply and as nothing can be cheaper than Newsprint it has become in India an ideal paper for all-round printing. The only allowance is perhaps made where lithographer's ink which is far heavier and greasier than the letter press printer's requires a harder sized sheet.

3. Newsprint should be defined as printing paper having a fibre content of 70 per cent. or more Mechanical Wood Pulp. But since other varieties like half tone news, special news, catalogue news, etc., containing similar quantities of Mechanical Wood Pulp, find their way in the Indian market and are freely used for other purposes than Newspaper printing, all Newsprint should be classified as Newsprint "A" and Newsprint "B". Newsprint "A" should mean unbleached newsprint having a minimum substance of (?) gms. per sq. metre.

Newsprint "B" should include all other newsprint whether unbleached or coloured.

The reason for such classification is dealt with later in reply to question 9.

The uses of Newsprint are by no means confined to what its name applies, viz., Newspaper printing. Large quantities are used for cheap Novels, Pamphlets, Magazines, Catalogues, hand-bills, school books, scribbling pads and wrapping paper, etc.

4. Whilst indigenous paper and imported printing paper other than Newsprint are consumed in equal quantities nearly half the amount of Newsprint imported serves a variety of purpose for which Indian paper is quite suitable.

5. The answer to this question is in the affirmative. The graphs attached to this reply show clearly how difficult it is becoming to capture a market in which the cheapest class of paper becomes cheaper still as it is duty free.

No indigenous paper claims protection to oust Newsprint from its legitimate use, i.e., for Newspaper printing but when this floods the market in a manner making it extremely difficult for the indigenous product to find a sale such unfair competition should not be allowed simply on the ground that Indian Mills are unable to manufacture paper for the Newspaper at competitive prices.

The attached graphs also show how abnormal has been the rise in imports of Newsprint since 1923-24 as compared with that of other printing and writing papers.

6. The results obtained by the Spence and Krauss method may be taken as being correct to 5 per cent. Greater accuracy cannot, however, be expected as the enormous number of fibre bundles of Mechanical Wood Pulp give rise to cumulative errors.

It is, however, a quick method for estimation of Newsprint composition and only in cases where the results obtained are on the borderline the more accurate Phloroglucinol method of Cross and Bevan as standardised for temperature and time by Duncliffe and Suri should be employed. Such a procedure will not give rise to disputes.

7. (a) The figures available for 1932-33 and 1933-34 are as follows:—

	1932-33.	1933-34.
	Tons.	Tons.
White and unbleached printing other than Newsprint	16,822	17,819
Coloured printing	801	1,442
Writing paper and envelopes	13,399	12,986
Manilla	758	764
Badami	4,343	5,048
Packing paper	2,418	2,416
Pulp boards	342	494
Blotting	259	214
Other kinds	1,072	1,524
	<hr/> <u>40,214</u>	<hr/> <u>42,707</u>

8. (b) The following table gives the wholesale prices of imported and Indian paper in Hyderabad-Deccan for the last three years:—

Items.	Prices per lb.					
	1932 to 1933.		1933 to 1934.		1934 to 1935.	
	Indian.	Imported.	Indian.	Imported.	Indian.	Imported.
Writing—	AS. P.	AS. P.	AS. P.	AS. P.	AS. P.	AS. P.
Creamlaid	3 5	4 0	3 3	3 7½	3 2	3 9
Indian account book paper .	3 5	3 11	3 3	3 7½	3 2	3 9
Azurelaid	3 10½	5 4½	3 9	5 4½	3 8	5 4½
Printing—						
Glazed printing	3 5	2 10	3 3	3 6	3 2	3 6
News Printing 30 lbs. . . .	..	2 0	..	1 11½	..	1 11½
" " 40 "	..	1 11	..	1 8½	..	1 8½
Wrapping—						
M. G. Kraft, 28 lbs. . . .	..	2 3	..	2 5	..	2 5
" " 80 "	2 3	2 2	..	2 3	..	2 4

9. The definition of "Newsprint" in answer No. 3 is the same as that in the Tariff Schedule but, if it is sub-divided as proposed into classes "A" and "B" and revenue duty charged on "A" and protective duty on "B", there is no danger of the protection granted to the paper industry becoming inadequate or nugatory.

There was a time when it was thought irrelevant as to what use was made of a paper which contained over 70 per cent. Mechanical Wood Pulp, the main object, however, being to see that cheap paper is available for Newspaper printing. Newspaper after all is printed on both sides and therefore needs paper having a certain amount of substance which is at least sufficiently opaque to prevent type from one side showing on the other. Then again though its life is immaterial it needs to stand a certain amount of handling. In fact no newspaper can hope to find a good circulation if printed on a flimsy sheet similar to that used for hand-bills, cheap books, etc. Substance therefore (*i.e.*, weight in gms. per sq. metre) is of primary importance.

This substance should be fixed by the Indian Tariff Board taking into consideration the quality of paper in general use by the Newspapers.

Newsprint "B" although containing the same amount of Mechanical Pulp as "A" is the main bogey of Indian mills and the protective duty on it is meant to have a prohibitive effect. No doubt this would result in replacement of Newsprint "B" by Newsprint "A" but even here the price of this paper plus revenue duty will make the Indian printer and his customer more favourable towards the indigenous material once the gulf between the cost of Newsprint "B" and Indian paper is bridged.

Paper throughout the world is sold by weight but in India the final purchaser thinks in terms of the number of sheets available say per rupee rather than the weight of such paper. The result is that thin Newsprint of class "B" makes it exceedingly difficult for the purchase to think of any other body paper for his requirements on account of the smaller amount of cash required for his purpose. Already the uniform specific duty is inversely proportional to the quality of the paper working out as a lighter percentage on better class paper and heavier on the cheaper varieties and the method suggested might make things worse but the special conditions

of the Indian market seem to need such peculiar protection. It is estimated that enlargement of protection on the above lines would create a competitive market for Indian printing to the extent of about another 8,000 tons per annum. No fear need be entertained about loading Newsprint "B" to obtain the substance of Newsprint "A" since the high speeds at which these paper are made do not permit such additions as they would tend to slow up the flow of stock on the machine wire and thus reduce the output of the machine making the paper more expensive.

Forest Research Institute, Dehra Dun,

(1) *Letter No. 433, dated the 25th June, 1935.*

In connection with the enquiry into the classification of paper for tariff purposes which has been referred to the Tariff Board under the Government of India, Department of Commerce, Resolution No. 202-T. (1)/35, dated the 25th May, 1935, I am directed to refer you to the several notes which were forwarded to the Board during the last enquiry into the Paper and Paper Pulp industries and to enquire—

- (1) what results have so far been attained of the tests carried on in connection with the possibility of utilising—
 - (a) bamboo pulp for the commercial manufacture of inferior grade of printing paper, and
 - (b) silver fir and other Conifers for manufacturing Mechanical Pulp;
- (2) whether by tests or other means it is possible to distinguish printing paper.

2. I am also to say that the Board would be glad to have your views on any other matters in which the Institute may be in a position to assist them in the present enquiry.

(2) *Letter No. 3112/37, dated the 12th July, 1935.*

Reference your letters No. 433, dated the 25th June, 1935, and No. 439, dated the 28th June, 1935.

I have the honour to enclose herewith a note (with 5 spare copies) which answers the queries made in your letter No. 433, dated the 25th June, 1935.

It is regretted that it was not possible to get this ready by 10th July, 1935.

Enclosure.

MEMORANDUM.

We have carried out experiments on the production of *Badami*, kraft, wrapping, and cover papers and boards from different species of bamboos. Booklets showing samples of papers made on the experimental machine, together with a few samples of boards, are sent herewith. The boards were made by hand in the laboratory, as they cannot be made on the paper machine. The data, obtained by us, regarding the consumption of chemicals and yields of paper, indicate the commercial feasibility of manufacturing in this country *badami*, kraft cover and wrapping papers and certain kinds of boards from bamboos. The manufacture of cheap and inferior kinds of bleached papers at prices, competitive with those of similar kinds of imported papers, however, does not appear to be feasible, until mechanical pulp from bamboos or wood is produced in this country. For want of the necessary equipment it has not been possible to undertake

at this Institute experiments on the production of mechanical pulp. Proposals for the equipment are being submitted to Government and it is hoped that we may be in a position to undertake the experiments on the production of mechanical pulp from bamboos and possibly *Pinus longifolia* in the year 1936-37. Silver fir and spruce have to be ruled out for the purpose, for the present at any rate, as enquiries made from the Punjab Forest Department show that they are not available at an economic price for the manufacture of paper pulp.

The Board desires to know if, by tests or other means, it is possible to distinguish printing papers from other types of papers, e.g., writing, news, tissues, etc.

A good deal of work has been done in the United States of America on the classification of papers and boards and on framing definitions for the large variety of these articles. The scheme of classification and the definition adopted by the American Pulp and Paper Industry and the Bureau of Standards are set forth in the book entitled "Classification and Definitions of Papers" published by the Lockwood Trade Journal Co., Inc., 10, East 39th Street, New York. According to the scheme adopted in America it is possible to assign a paper to one of the several major groups in the scheme of classification. If the Board adopt the American system or a modified one to suit the Indian conditions, it should be possible to allocate the different kinds of imported papers into definite groups—printing, writing, news, tissues, etc., etc. Further as each group will have certain definite and distinguishing characteristics and properties, closely related to the use requirement of the various kinds included in it and many of which are measurable by instrumental tests, it will be possible to differentiate one kind of paper from another. This would, of course, necessitate fixing minimum and maximum values of the significant sheet properties or in other words developing specifications for each type, class or kind of paper. The drawing up of specifications is, I submit, necessary for defining clearly and precisely all kinds of papers included in the "non-protected" class so as to obviate disputes regarding the interpretation of the tariff. That this is the view and intention of Government also, is clear from their resolution No. 202-T. (1)/35, dated the 25th May, 1935.

Most of the questions in the questionnaire are meant for the commercial interests, paper manufacturers and printing industry and we are not in a position to express our views on them. We may, however, assist the Board in the present enquiry, firstly, in drawing up the classification of papers and in framing specifications for them and secondly, in examining whether any other method for determining the Mechanical Wood Pulp content in paper is capable of yielding more satisfactory and accurate results than the "Spence and Krauss" method in use at present.

I may add that the development of specifications for papers and the examination of the various methods for estimating mechanical pulp are likely to need careful and thorough investigation and will take some time. I suppose work of this nature can be undertaken in this country at this Institute only.

(3) *Memorandum handed on 5th August, 1935, at the Forest Research Institute.*

We are not in a position to submit to the Board a definite and workable scheme of classification and specification of papers for tariff purposes, as detailed and adequate information is not available at this Institute regarding the following points:—

- (1) Different classes and kinds of the various types of papers imported from abroad and manufactured in this country.
- (2) The use requirements of the Printing Industry for the principal kinds of papers consumed by it.

- (3) Difficulties that have been encountered in the interpretation of the present Tariff Schedule, and
- (4) The kinds of imported papers, which compete with the Indian made papers and have caused serious harm to the paper industry.

Tentatively we may suggest that the Board may adopt the scheme of classification of papers worked out in the United States of America, as a result of about 18 years of enquiry and investigation. We shall explain the scheme to the Board when they arrive here. Incidentally, the adoption of such a scheme of classification by the Customs Department will be of considerable indirect benefit to the development of the paper industry in this country, inasmuch as the import figures for the various kinds of papers, scientifically classified, will indicate what new lines of paper can profitably be manufactured in this country. After classifying all the papers, as mentioned above, the Board may allocate the different classes and kinds of each type to "protected" and "non-protected" groups, in consonance with the spirit and intentions of the Bamboo Paper Industry Act of 1932. In order to obviate disputes and controversies about the interpretation of the schedule, the important papers in the "non-protected" group may be defined as precisely as possible by specifying some of their prominent and measurable physical characteristics. This is likely to need some experimental work; as, even in America, standard specifications for all papers have not yet been worked out. Moreover specifications for papers must obviously be drawn up with reference to their use requirements in this country. The plan, briefly outlined above, may not entirely meet the requirements of the present enquiry, but the principles, underlying it, may be utilised for drawing up a suitable scheme of classification and specifications, based on the data and information collected by the Board.

A good deal of work on the determination of Mechanical and Chemical Wood Pulp contents in papers has also been done in Europe and America and in recent years a number of new methods have been recommended. Of these, a chemical method developed in Germany and a microscopical method developed in America, appear to give very consistent and accurate results and largely eliminate the element of personal factor. Unless comparative tests, under Indian conditions, are made, it is difficult to say whether the new methods are decidedly superior to the two methods, employed at present by the Customs Department.

Central Board of Revenue, Simla.

(I) *Letter No. T./4, dated the 7th August, 1935, from the Tariff Board.*

I am directed to acknowledge the receipt of your telegram dated the 5th instant and to say that it was represented to the Board in Calcutta that it would be useful if Dr. Dunnicliff and Mr. Bhargava, Officer-in-charge, Paper Pulp Section of the Forest Research Institute, could discuss with the Board the question of distinguishing printing and writing paper by some sort of sizing test. Another point on which the Board desires expert opinion is whether it is possible to provide some sort of scientific check by which the personal factor now present in determining the Mechanical Wood pulp by the Spence and Krauss method might be eliminated. It was felt that a personal discussion with Dr. Dunnicliff would enable him to understand the difficulties which necessitate such tests better than a written communication.

2. Under the Bamboo Paper Industry Protection Act of 1932, the minimum percentage of Mechanical Wood Pulp on the fibre content of printing paper for assessment at the revenue rate of duty has been raised from 65 to 70, in order to provide for the limit of error within which

the proportion of Mechanical Wood Pulp could be estimated by test. In calculating this minimum, the Board have been given to understand that instructions have been issued that a margin of 5 per cent. of the actual test result should be allowed in the first instance for errors in test and in exceptional cases a further allowance of 5 units (*i.e.*, 5 per cent. of 100) might be permitted for inequality in manufacture at the discretion of the Collectors of Customs provided they are satisfied that the order was given for a paper containing not less than 70 per cent. of Mechanical Wood Pulp.

3. Printing paper containing 70 per cent. and more of Mechanical Wood Pulp is at present assessed at the ordinary revenue duty of 25 per cent. The manufacturers claim that the importation of a large quantity of paper under the head "Printing Paper, Unprotected, Other Sorts", is causing a substantial loss of business to the Indian paper industry. It is therefore essential that the Board should seek expert advice to ascertain whether the test at present conducted at the Custom Houses gives satisfactory and accurate results, and whether in the opinion of experts allowances for the two errors mentioned in view of the nature of the material and the method of the test can be considered to be fair and proper in arriving at the percentage of Mechanical Wood Pulp in the paper. As it has not been possible for Dr. Dunnicliff to meet the Board, it would feel very grateful if you could request him to furnish the Board with a note (with 5 spare copies) dealing with the two points mentioned above at as early a date as possible and in any case not later than the 23rd August.

(2) *Letter No. 1, dated the 31st August, 1935, from H. B. Dunnicliff, Esq., M.A., Sc.D., F.I.C., Special Chemical Adviser, Central Board of Revenue, Simla.*

Reference:—Testing of Paper, Tariff Board No. T./4, dated Dehra Dun, the 7th August, 1935, to the Secretary, Central Board of Revenue.

I have the honour to say that after a discussion with Mr. H. R. Batheja, I understand that answers to the following specific questions are required:—

- (1) Whether a sizing or/and filling test can be devised to discriminate between paper to be classed as writing and printing (superior)?
- (2) Whether the Spence and Krauss Test can be improved to eliminate personal factors?
- (3) Whether the nature of the manufacture justifies the 5 unit addition?

1. Since our meeting in Simla, the Tariff Board letter No. 556, dated the 22nd August, to the Secretary, Central Board of Revenue, has been received and I submit my letter No. 2, dated the 31st August in reply to the first question.

In addition it might be made essential that all printing papers must be soft sized or half-sized with detailed tests for the examination of this factor.

2. I am of opinion after several year's experience and many comparisons of different analysts' work on the same sample, that the Spence and Krauss method is efficient to an accuracy of 5 per cent. on the determined value. Our chemists are supervised by a system of control analyses in which constant comparisons between chemists' work is going on. It is astonishing how closely the determinations on the same sample at places far apart correspond. In my opinion the 5 per cent. allowance is ample to cover the personal factor in analysis by this method and over the very considerable range of samples we have to test.

If, by any chance, I suspect high or low counting, standard control samples specially made for the Government of India are pulped and counted as a check. So far as the importer is concerned, I feel he has no justifiable complaint as the "bonus" always acts in his favour. The Indian manufacturer is possibly justified in having a grievance from the opposite point of view. This test does not determine the classification of the paper as writing or printing paper as it is independent of any sizing test and the percentage of Mechanical Wood Pulp is given on the fibre content and is therefore independent of the loading. It is quite common to receive papers for test which have an ash (loading) as high as 25-30 per cent. of the original weight of the paper.

3. As I am not acquainted with the practical details and difficulties of paper manufacture except from an occasional visit to a paper factory, I do not feel that my views on this matter are valuable but, if I were told that if I ordered paper containing 65 per cent. Mechanical Wood Pulp, I should have to be content with either 60 per cent. or 70 per cent., I should have my doubts about the competence of the manufacturers.

Again, since the "bonus" always works one way, i.e., positively, the importers should be satisfied, while those who claim protection of the paper industry will naturally feel that the latitude is too generous.

Letter No. 401, dated the 15th June, 1935, from the Secretary, Tariff Board, to all Collectors of Customs.

I am directed to refer you to the Government of India, Commerce Department, Resolution No. 202-T. (1)/35, dated the 25th May, 1935, and to ask that you will be good enough to furnish the Board with a brief account of the process at present employed by the Customs in testing the proportion of the Mechanical Wood Pulp in printing paper.

2. I am also to enquire—

- (1) How far the present arrangement is an improvement,
- (2) whether there has been a decrease in the number of complaints, and
- (3) is there a large number of border line cases?

3. I am also to say that the Board have only a limited time at their disposal in which to complete the enquiry and they would be grateful if the reply to this letter (with five spare copies) could be sent not later than the 1st July, 1935.

Collector of Customs, Bombay.

Letter C. No. 675/35, dated the 20th June, 1935.

Reference:—Paper—Mechanical Wood Pulp—Method of test—Your letters Nos. 401 and 407, dated the 15th and 20th (19th?) June, 1935, respectively.

I have the honour to refer to your letters cited above.

2. I enclose copies of Notes by my Chemical Examiner explaining the two methods employed in the laboratory for testing the proportion of Mechanical Wood Pulp in printing paper.

3. I also enclose a statement showing the total number of samples of paper analysed in the Laboratory during the year 1934-35.

4. There have been very few complaints regarding the tests carried out in the Laboratory. Border-line cases in which the Assistant Collector of Customs, Appraising Department, uses discretion represent about 1.5 per cent. of the total number of samples tested.

Enclosure No. 1.

THE WEIGHT FACTOR METHOD FOR FIBRE ANALYSIS.

(Spence and Krauss.)

1. Tear a few small pieces about the size of 4" diameter from different parts of the paper or pulp sample (widely separated if the sample is large). Suspend in a 1 per cent. solution of caustic soda and bring to the boil in a beaker. Drain off the solution; wash in the beaker with distilled water twice, draining off the water each time. Wash in a 1 per cent. solution of hydrochloric acid, then twice more with distilled water.

2. Roll the scraps of paper into a ball and work between the fingers to loosen the fibres. Put the ball into a test tube (or glass stoppered cylinder or any other convenient vessel), place 10-20 glass beads or lead shot and shake with distilled water until the fibres are well separated. Dilute the suspension to a consistence such that not more than four complete diameters lengths of fibres will appear on any one field. Denser fields are difficult to evaluate and tend to lessen the accuracy of the results. Shake the tube, insert a glass tube (6 mm. internal diameter and about 20 cm. long) to a depth of about 2 inches below the surface of the solution and carefully place one or two drops on a slide, dry with filter paper. (The excess of water is either driven off on a water oven or to save time the water is drawn off by placing the folded edge of a piece of filter paper on one side of the spread out drop and carefully withdrawing the filter paper.) When the water has been drawn away, tease out any bundles or "knots". The stain is kept ready for use by previously mixing the two solutions Herzberg's A and B diluting with water or zinc chloride in such a way as to give a lemon yellow colour with Mechanical Wood Pulp and blue to greenish blue with sulphite pulp. Two drops of this stain are placed on the dried fibres obtained above, and the whole then covered with a cover slip. A cross line micrometer divided into 10/10 mm. square is inserted into the diaphragm of the eye-piece and the side of each square is taken as a unit. Measure the *lengths only* of the fibres in the field starting at one extreme corner of the slide, counting all the Mechanical Wood Pulp in that line by the help of a moving stage until the other extremity is reached. A return trip is now made along the same line counting all the blue fibres. The slide is now shifted in the perpendicular direction by moving the mechanical stage and the fibres counted in the same way. Thus the whole of the slide is covered strip by strip, counting rigidly every fibre. The total length of each type of fibre multiplied by its weight factor gives the number of the fibres present and a ratio is obtained on the total of these numbers as usual.

3. The ratio between the density of Ground Wood and unbleached sulphite fibres is 0.55 and thus sulphite fibres must always be multiplied by this factor before finding its percentage.

Enclosure No. 2.

THE VOLUMETRIC METHOD.

Merck's phloroglucin free from direscinc is heated in an oven at 110° C. to constant weight. Dissolve 2.50 grams of this in 500 c.cs. of hydrochloric acid (S. G., 1.06). Warming on a water bath facilitates this process. Heat the extracted paper to constant weight at 100° C. Take 1 gram of this paper and cut it into small pieces. Place them in a dry conical flask, and 50 c.cs. of the standard phloroglucin solution. Tightly stopper the flask and place it in a thermostat at 35° C. Stir the mixture occasionally for about 1 hour and then leave to stand overnight, care being taken that no fragments of paper adhere to the side of the flask above the level of the solution. After 18 hours, "swill" the contents round the flask in order to wash down any drops of water deposited on the side of the vessel.

Filter through a funnel containing a small plug of glass wool. Transfer 10 c.c.s. of the filtrate to a conical flask. Add 20 c.c.s. of hydrochloric acid (S. G., 1.06) and then standard formaldehyde solution from the burette 2 c.c.s at a time with an interval of two minutes (for heating on a water bath to 70° C.) between each addition. Towards the end of the titration which is recognised by the coagulation of the precipitate, the formaldehyde is added in decreasing quantities. The course of the titration is followed by placing 2-3 drops at the same spot on a piece of cheap newspaper waiting for sometime and then drying on a gentle flame. The paper stains red. At the end-point no red stains should appear on the paper even on prolonged warming. The end-point can be very accurately hit off, if 5-6 drops are almost completely dried between each spotting. Titrate 10 c.c.s. of original phloroglucin solution in exactly the same way.

The absorption value per 100 grams of ash-free paper (p) is calculated and the percentage of Mechanical Wood Pulp obtained from the formula:

$$\text{Percentage of Mechanical Wood Pulp} \frac{100(p-1.2)}{(8.5-1.2)}.$$

The constants 8.50 and 1.20 for Mechanical Wood Pulp and Chemical Pulp respectively are obtained as described above as the mean of the absorption values for 1 gram of pulp + 50 c.c. of phloroglucin solution at 35° C. The validity of these factors has been confirmed on known mixtures of Mechanical and Chemical Pulps as well as on standard papers.

In view of the difficulties associated with this determination, it is proposed that the volumetric determination of Mechanical Wood Pulp is only resorted to when the Spence and Krauss method fails the paper and that its verdict should only be accepted when the results are higher than those given by the optical method.

Enclosure No. 3.

Details of results of analysis of paper samples analysed, 1934-35.

Description.	Remarks.	Number of samples analysed.
(i) Papers containing not less than 70 per cent. Mechanical Wood Pulp.	Passing all right .	1,450
(ii) Papers passing with bonus of 5 (containing 65-70 per cent.).	{ Border line cases calculating to about 10 per cent.	142
(iii) Papers passing with bonus of 5 plus 5 per cent. (containing 62-65 per cent.).		23
(iv) Papers failing to pass even with addition of 5 plus 5 per cent. bonus (containing less than 62 per cent.).	Fail . . .	12
(v) Papers free from Mechanical Wood Pulp .	Do. . . .	3
Total number of paper samples analysed in the Laboratory during 1934-35.	....	1,630

Collector of Customs, Madras.

Letter No. R. O. R. 730/35/C. E., dated the 21st June, 1935.

PRINTING PAPER—WOOD PULP—TESTING OF.

I have the honour to refer to your letter No. 401, dated 15th June, 1935, and to enclose an account of the process employed in the Customs Laboratory in testing the proportion of the Mechanical Wood Pulp in printing paper.

2. (1) This method has been found to be convenient and results obtained have been reasonably consistent.

(2) Out of about 1,250 tests made during the year 1934-35, only 4 were the subject of appeal and re-test, and in all these 4 cases, the original test was confirmed. It would, therefore, appear that the introduction of the new procedure has had the effect of reducing the number of complaints.

(3) The number of border line case was comparatively small. Out of the total number of samples tested during 1934-35, 27 samples showed between 50 to 60 per cent. Mechanical Wood Pulp and 25 samples showed 60 to 65 per cent. Mechanical Wood Pulp.

Enclosure.

The following is a brief account of the method in use at the Customs Laboratories for the determination of the percentage of Mechanical Wood Pulp in printing paper:—

Small pieces are taken out from different parts of the paper and suspended in 1 per cent. of Caustic Soda solution. This is brought to boil and the liquid carefully drained off. The pulp is washed with water and then with 1 per cent. hydrochloric acid, and finally again with water.

The pulp is then shaken up with water and a few lead shots in a stoppered cylinder to loosen and separate the individual fibres. A representative portion of the suspension is transferred to a microscopic slide and carefully dried.

The dry fibres are moistened with Herzberg's reagent which stains the mechanical wood fibres yellow and the chemical fibres pink. A cover-slip is put on and the slide examined under a microscope fitted with a micrometer eye-piece. The lengths of the yellow and pink fibres are counted separately. Gradually the whole slide is counted and the total lengths of the two kinds of fibres added up. The percentage of Mechanical Wood Pulp is determined from the following equation:—

$$\text{Percentage of Mechanical Wood Pulp} = \frac{Y \times 100}{Y + (P \times 0.55)}$$

where Y and P represent the total lengths of mechanical wood and chemical fibres respectively.

Where the percentage thus found is under 70 per cent. the figure is increased by 5 to allow for possible manufacturing error and then 5 per cent. of the original figure is further added to allow for experimental error.

In cases of appeal the sample is sent to Special Chemical Adviser for re-test by the above method, and also, if necessary, the volumetric method which depends upon the absorption of phloroglucinol by the pulp.

Collector of Customs, Karachi.

Letter No. C. 1139/35, dated the 21st June, 1935.

I have the honour to refer to your letter No. 401, dated the 15th instant.

2. The methods employed are the Spence and Krauss fibre count method and the volumetric phloroglucinol method.

Spence and Krauss Fibre Count Method.—Small strips of paper (representative sample) are made into thin pulp by continuous shaking and agitating with water in a bottle after removal of loading and sizing matter. One or two drops of the thin diluted pulp are transferred to a microscopic glass slide. Excess of water is removed by drying in a water oven. The dry fibres on the slide are then stained with Herzberg's stain which stains the mechanical wood fibres yellow and the chemical pulp fibres blue or occasionally violet. A cover slip is now put on and the length of the various fibres counted under the microscope with the help of a cross line micrometer divided into 10/10 m.m. square taking the side of each square as unit. The lengths of the fibres on the slide are measured from one extreme to the other of the slide with the help of a moving stage. The results are thus obtained in whole numbers. Since the relative percentage weights of the Chemical and Mechanical Wood Pulp are the data desired and since equal lengths (or areas) of both the fibres do not weigh the same (due to differences in density), the length of the Chemical Wood Pulp is multiplied by 0.55 to obtain the relative weights of fibres. Thus if Lm is the number (length) of Mechanical Wood Pulp and Lc is the number (length) of Chemical Pulp fibres, the percentage C of chemical pulp fibres is:

$$C = \frac{Lc \times 0.55 \times 100}{Lc \times 0.55 + Lm}$$

Several slides are thus counted and the average of these determinations struck. Usually the results do not vary more than 1 per cent. To the value so obtained percentage allowance is given for error in testing and manufacture, in accordance with Board's Instruction (Customs) No. 2 of 1932 (copy enclosed).

Volumetric Phloroglucinol Method.—This is the usual phloroglucinol absorption method under specified conditions. The determination is carried out at 35° C. the time of exposure to phloroglucin solution is 18 hours. The weight of paper is 1 gram and the amount of solution (0.5 of anhydrous phloregluuin in Hydrochloric Acid, S. G. 1.06), 50 c.c for each test; the result is calculated by the formula:

$$\text{Percentage of Mechanical Wood Pulp} = \frac{(P - 1.2) \cdot 100}{8.5 - 1.2}$$

when P is the number of grams of phloroglucin absorbed by 100 grams of the fibro in the paper. The volumetric method is only accepted when it gives a more favourable result to the importer.

3. The present methods are a great improvement in that the present fibre count method takes into account the important factor of the difference in density between Chemical and Mechanical Wood Pulp and the present volumetric method takes into account the important factors of temperature, time of absorption and concentration of phloroglucin to paper.

As a result of the present arrangement, there has been a decrease in the number of complaints and the border line cases are comparatively very few.

4. I may add that quite recently the amount of Chemical Wood Pulp used in very thin printing paper (price about £12 per ton) is quite appreciable.

5. I enclose five spare copies of this reply, as requested.

Enclosure.

CENTRAL BOARD OF REVENUE.

New Delhi, the 16th March, 1932.

BOARD'S INSTRUCTION (CUSTOMS) NO. 2 OF 1932.

Bamboo Paper Industry (Protection) Act, 1932—Paper—Printing Paper—Mechanical Wood Pulp—Percentage—Allowance for Error in Manufacture and Testing.

Under the Bamboo Paper Industry (Protection) Act, 1932, the minimum percentage of Mechanical Wood Pulp in the fibre content of printing paper which qualifies the paper for being passed at the revenue rate of duty has been altered from 65 to 70. The Indian Tariff Board in making their report on the grant of protection to the paper and paper pulp industries in 1925 explained that they put the percentage at 65 because they thought that 5 per cent. might be taken as the limit of error within which the proportion of Mechanical Wood Pulp could be estimated by a test, though 70 per cent. was the actual figure to which they wished to work. The embodiment of the figure 65 in the Statutory Tariff has led to this being legitimately quoted by importers as the standard to which paper ordered by them should conform. Experience has shown that, owing to the two factors of inequality in manufacture and error in testing, disputes have frequently arisen in connection with the assessment of paper ordered in accordance with the 65 per cent. formula. The object of the present change in the law is to make it clear that importers should pay due regard to the 70 per cent. formula in ordering their paper from the manufacturers. The Government of India, however, have undertaken that a margin, to allow for the two errors mentioned, of 5 per cent., will be allowed in all cases; and in exceptional cases this margin may be exceeded at the discretion of the Customs-Collector, provided he is satisfied that the order was given for a paper containing 70 per cent. Mechanical Wood Pulp.

Collector of Customs, Rangoon.

Letter No. C. 555/35, dated the 24th June, 1935.

PRINTING PAPER—METHOD OF TEST.

I have the honour to refer to your letter No. 401, dated the 15th June, 1935.

2. The method of test adopted in testing printing paper is Spence and Krauss's. Though various factors are prescribed by the authors for different kinds of paper, 0.55 has been laid down by the Special Chemical Adviser to the Central Board of Revenue for the sake of simplicity and uniformity.

3. As regards the queries in paragraph 2 of your letter, the present arrangement may be said to be an improvement inasmuch as the factor employed results in increasing the proportion of Mechanical Wood Pulp. Although there is a decrease in the number of complaints and border line cases, disputes still arise with importers. In many recent cases within the experience of this Custom House the paper was reported by the Laboratory to contain less than 70 per cent. Mechanical Wood Pulp, whereas the importers' indent showed that they had ordered it to contain not less than 70 per cent. Mechanical Wood Pulp and the Chemist of the paper mills also certified to the same effect. This is more usually the case with newsprinting paper. A reduction in the number of complaints may also be attributed to the fact that, under orders of the Government of India,

besides an addition of 5 per cent. as a margin for error in the Laboratory, an *ex-gratia* allowance of 5 per cent. is made in all cases where it is established that importers had ordered the paper to contain not less than 70 per cent.

Collector of Customs, Calcutta.

Letter No. 285, dated the 28th June, 1935.

Re PROTECTION TO THE PAPER AND PAPER PULP INDUSTRIES.

I have the honour to refer to your letter No. 401, dated the 15th June, 1935.

2. The method which is at present adopted at the Customs laboratories for determining the proportion of Mechanical Wood Pulp in printing paper is the Weight Factor method for Fibre Analysis known as the "Spence and Krauss method" which is described in the accompanying note by the Chemical Examiner for Customs.

3. The information required in paragraph 2 of your letter is given below:—

- (1) The present method of analysis of paper has an advantage over the previous fibre count method in that it is comparatively easy and yields more satisfactory results.
- (2) It may be stated that as a result of the introduction of this method there has been a general decrease in the number of complaints in regard to test results.
- (3) Border line cases are met with fairly frequently relating to the cheaper qualities of Art Paper being now imported by general paper dealers. This class of paper generally contains Mechanical Wood Pulp ranging between 60 per cent. and 70 per cent. and even after adding the two allowances which the Department is authorized to grant, *viz.*, 5 per cent. of the figure of percentage found at test *plus* 5 units, it is found that higher duty is leviable in a few cases. The complaints received usually relate to such assessments of this description of paper.

Enclosure.

THE WEIGHT FACTOR METHOD FOR FIBRE ANALYSIS.

(Spence and Krauss.)

Tear a few small pieces about the size of $\frac{1}{4}$ " diameter from different parts of the paper or pulp sample (widely separated if the sample is large). Suspend in a 1 per cent. solution of caustic soda and bring to the boil in a beaker. Drain off the solution; wash in the beaker with distilled water twice, draining off the water each time. Wash in a 1 per cent. solution of hydrochloric acid, then twice more with distilled water.

Roll the scraps of paper into a ball and work between the figures to loosen the fibres. Put the ball into a test tube (or glass stoppered cylinder or any other convenient vessel), place 10-20 glass beads or lead shot and shake with distilled water until the fibres are well separated. Dilute the suspension to a consistence such that not more than four complete diameter lengths of fibres will appear on any one field. Denser fields are difficult to evaluate and tend to lessen the accuracy of the results. Shake the tube, insert a glass tube (6 mm. internal diameter and about 20 cm. long.) to a depth of about 2 inches below the surface of the solution and carefully place one or two drops on a slide, dry with filter paper. (The excess of water is either driven off on a water oven or to save time the water is

drawn off by placing the folded edge of a piece of filter paper on one side of the spread out drop and carefully withdrawing the filter paper.) When the water has been drawn away, tease out any bundles or "knots". The stain is kept ready for use by previously mixing the two solutions Herzberg's A and B diluting with water or zinc chloride in such a way as to give a lemon yellow colour with Mechanical Wood Pulp and blue to greenish blue with sulphite pulp. Two drops of this stain are placed on the dried fibres obtained above, and the whole then covered with a cover slip. A cross line micrometer divided into 10/10 mm. square is inserted into the diaphragm of the eye-piece and the side of each square is taken as a unit. Measure the *lengths only* of the fibres in the field starting at one extreme corner of the slide, counting all the Mechanical Wood Pulp in that line by the help of a moving stage until the other extremity is reached. A return trip is now made along the same line counting all the blue fibres. The slide is now shifted in the perpendicular direction by moving the mechanical stage and the fibres counted in the same way. Thus the whole of the slide is covered strip by strip, counting rigidly every fibre.

The total length of each type of fibre multiplied by its weight factor gives the number of the fibres present and a ratio is obtained on the total of these numbers as usual.

Equal areas covered by different kinds of fibre do not represent equal weights; neither do equal lengths. Hence to determine correctly the percentage weight of each kind of fibre present the relative weights of equal areas or lengths of the different fibres must be known.

Experiments carried out in the Lahore Laboratory on synthetic mixtures of Mechanical Wood Pulp and chemical pulp gave as the ratio in—

$$\frac{\text{weight C. P.}}{\text{equal length weight M. W. P.}} = 0.566.$$

The factor 0.55 recommended on many more experiments than we have been able to do, has been taken as standard.

Letter No. 457, dated the 12th July, 1935, from the Secretary, Tariff Board, to All Collectors of Customs.

I am directed to say that in connection with the present enquiry into the classification of paper for tariff purposes copies of certain correspondence have been received by the Tariff Board from the Government of India from which it is found that certain views were expressed by you in connection with the proposals outlined in the Commerce Department Circular letter No. 202-T. (33), dated the 2nd June, 1932. As nearly three years have elapsed since those views were expressed, I am to enquire whether in the light of experience gained since then you would like to modify or amend them where necessary.

2. I am also to enquire whether packing and wrapping papers can easily be distinguished from cheap writing papers and whether there is any arrangement in the laboratory attached to the Custom House to undertake chemical test for testing percentage of sulphite pulp content in brown or other coarse coloured or tinted papers used for wrapping purposes.

3. The Board would also like to be informed of the quantity and value of the imports of the following classes of papers:—

- (1) Mechanical glazed pressings.
- (2) Unglazed coloured demy.
- (3) Cartridge paper.
- (4) Duplicate paper.
- (5) Cover paper.
- (6) Envelope paper.
- (7) Blotting paper.

The imports may be shown for each item separately, if possible, from 1931-32 or any subsequent year from which they began to be classified separately.

4. The Board would be greatly obliged if your replies on the above points could be supplied to them (with 5 spare copies) by the 27th July, 1935, at their office in No. 1, Council House Street, Calcutta.

Collector of Customs, Karachi.

Letter C. No. 1359/35, dated the 20th July, 1935.

I have the honour to refer to your letter No. 457, dated the 12th instant.

2. I have no modifications or amendments to suggest to the views expressed by this Custom House in 1932.

3. The imports of cheap writing papers into this port are insignificant. No difficulty is experienced in distinguishing cheap writing papers from packing and wrapping papers. Arrangements are available in the local laboratory for testing the percentage of sulphite pulp content in brown or other coarse coloured or tinted papers used for wrapping purposes.

4. As regards the figures requested in paragraph 3 of your letter under reply, statistics for items (2) to (6) are not separately recorded at this port. Items (1) and (7) have been classified separately from April, 1935, and the figures for these 2 items for the 3 months, April to June, 1935, are as follows:—

	Cwt.	Rs.
Mechanical glazed pressings	107	913
Blotting paper	17	618

Collector of Customs, Rangoon.

Letter C. No. 555 of 35, dated the 22nd July, 1935.

CLASSIFICATION OF PAPER FOR TARIFF PURPOSES.

I have the honour to refer to your letter No. 457, dated the 12th July, 1935.

2. The experience gained since 1932 in the administration of the tariff items relating to the assessment of paper has confirmed the soundness of the views expressed by Mr. Slade, in his letter to the Central Board of Revenue, C. No. 362 of 1932, dated the 12th January, 1933, and I have no modifications or amendments to suggest in them.

3. No difficulty is anticipated in distinguishing packing and wrapping papers from cheap writing papers, and necessary facilities exist in the laboratory of this Custom House to undertake chemical test for determining the percentage of sulphite pulp content in brown or other coarse coloured or tinted papers used for wrapping purposes.

4. As imports of the classes of paper specified in paragraph 3 of your letter are not separately recorded for statistical purposes. I regret that it is not possible to give figures of their value and quantity for the year 1931-32. I, however, enclose a statement showing the imports of these classes of paper for the 3 months ending 30th June, 1935.

Enclosure.

Statement showing the imports of paper for the 3 months ending 30th June, 1935.

	Quantity,	Value.
	Cwt.	Rs.
Packing and wrapping paper—		
Kraft including imitation kraft . . .	1,370	19,122
Coloured machine glazed pressing . . .	1,593	15,900
Manila machine glazed or unglazed and sulphite envelopes . . .	118	4,023
Fancy including embossed paper . . .	9	246
Other sorts	3,549	45,687
Printing paper—		
News printing	9,802	1,00,654
Machine glazed poster paper . . .	94	1,065
Other sorts	1,753	20,015
Writing paper and envelopes—		
Azure laid and wove and ledger . . .	463	11,059
Cream	86	1,829
Other sorts of writing paper . . .	761	18,907
Writing pads	59	2,963
Boxed stationery	153	9,335
Blotting paper	36	1,468
Old news paper	54,793	2,15,426
Other kinds of paper	739	20,210
Paper manufactures	800	41,058

Collector of Customs, Madras.

Letter No. R. O. R. 875/35-Ap., dated the 24th July, 1935.

PAPER—CLASSIFICATION OF, FOR TARIFF PURPOSES.

I have the honour to refer to your letter No. 457, dated the 12th July, 1935.

2. I have no views to offer or comments to make beyond those communicated in this office letter R. O. R. No. 2418/32-Ap., dated the 31st January, 1933, to the Central Board of Revenue.

3. Packing and wrapping papers imported at this port are generally well-known classes and are mostly machine glazed. They can easily be distinguished from cheap writing papers. Doubtful and border line cases have been rare. The determination of chemical pulp (sulphite pulp) in white or coloured or tinted coarse paper can be undertaken at this laboratory.

4. The classes of papers referred to in paragraph 3 of your letter are not separately recorded in the import statistics, and it is, therefore, not possible to furnish the required information within the time given.

Collector of Customs, Bombay.

Letter C. No. 788/35, dated the 24th July, 1935.

**PAPER—CLASSIFICATION OF, FOR THE PURPOSE OF THE TARIFF—YOUR LETTER
No. 457, DATED THE 12TH JULY, 1935.**

I have the honour to refer to your letter cited above.

2. I have no suggestions to make for amendment or modification of the views expressed by this Custom House in connection with the proposals outlined in the Commerce Department Circular letter No. 202-T. (33), dated the 2nd June, 1932.

3. Packing and wrapping paper can be easily distinguished from writing paper of good quality, but not from that of inferior quality. Laboratory tests can distinguish inferior writing papers from other qualities or kinds of paper only if there are adequate official specifications. The content of sulphite pulp in papers is not required to be ascertained at present for the purpose of the tariff. It is possible, however, for the Laboratory to ascertain the percentage of "sulphite" pulp content in paper, though by more elaborate tests than those now employed.

4. It is not possible to furnish figures of quantity and value of the imports of the seven classes of papers mentioned in your letter, as they were not recorded separately for statistical purposes in past years. The classification heads of "Paper and pasteboard" have been recast since 1st April, 1935. The classes of paper under reference have been included under the following heads, figures of imports of which in each of the three months, April to June, 1935, are given below:—

Head or Sub-head in the Classification List.	Class or classes of paper which are included.	April, 1935.		May, 1935.		June, 1935.	
		Cwt.	Rs.	Cwt.	Rs.	Cwt.	Rs.
Coloured machine glazed pressings.	Mechanical glazed pressings.	594	8,013	431	3,984	272	2,562
Manilla, machine glazed, or unglazed, and sulphite envelope.	Unglazed coloured demy.	2,939	28,957	1,504	15,505	1,043	10,128
Blotting paper	Blotting paper	108	3,795	226	5,016	226	5,211
Other kinds of paper	Cartridge paper Duplicate paper. Cover paper. Envelope paper.	2,481	59,323	1,085	40,763	699	24,599

Collector of Customs, Calcutta.

Letter No. 401, dated the 26th July, 1935.

I have the honour to refer to your letter No. 457, dated the 12th July, 1935.

2. I have no modifications or amendments to suggest in the views expressed in 1932-33.

3. What are known in the trade as packing or wrapping papers can be distinguished from cheap writing paper on physical examination without any difficulty.

4. The Calcutta Custom House laboratory can determine the percentage of sulphite pulp contents of paper, white or brown or other coloured.

5. I regret I am unable to furnish you the statistics desired by you in paragraph 3 of your letter as they have not been compiled.

Letter No. 502, dated the 31st July, 1935, from the Secretary, Tariff Board, to the Collectors of Customs, Bombay and Madras.

In continuation of this office letter No. 457, dated the 12th July, 1935, I am directed to say that in the course of the present enquiry the Tariff Board have come across with two qualities of a paper known as Badami, *viz.* :—

- (1) Unglazed Badami, 27×34 —40 lbs., c.i.f. price £10-15, and
- (2) Glazed hard sized Badami, $24\frac{1}{2} \times 32$ —48 lbs., 500 sheets, c.i.f. price £13.

2. I am to enquire whether the Badami paper is being imported through your port, and if so, the Board would be obliged if you could furnish them (with 5 spare copies) with the following details about the paper:—

- (1) Number of varieties imported,
- (2) Prices of each variety at your port,
- (3) The tonnage, and
- (4) How these papers are being classified, *i.e.*, whether they are assessed as printing or writing papers or both according to the loading in the papers.

An early reply is solicited.

Collector of Customs, Bombay.

Letter C. No. 788/35, dated the 9th August, 1935.

BADAMI PAPER—INFORMATION REGARDING QUALITY, PRICES, QUANTITY OF IMPORTS AND CLASSIFICATION—YOUR LETTER NO. 502, DATED THE 31ST JULY, 1935.

I have the honour to refer to your letter cited above.

2. The required information is furnished below:—

- (1) *Number of varieties imported.*—Two varieties are imported at this port, *viz.*, (i) unglazed, and (ii) glazed hard-sized Badami paper.
- (2) *Price of each variety.*—The prices are as follows:—

Unglazed—

- 17×27 —24 lbs./500 sheets.
- 20×27 —20 lbs./500 sheets.
- $22\frac{1}{2} \times 35$ —41 lbs./500 sheets.
- 27×40 —38 lbs./500 sheets.
- 27×34 —40 lbs./500 sheets.
- $29\frac{1}{2} \times 43$ —56 lbs./500 sheets.

The c.i.f. price ranges from £10-12 to £11 per ton.

Glazed hard-sized—

- $29\frac{1}{2} \times 43$ —56 lbs./500 sheets.
- $24\frac{1}{2} \times 32$ —48 lbs./500 sheets.

The c.i.f. price ranges from £12 to £13 per ton.

- (3) *Tonnage.*—The imports of unglazed Badami paper and glazed hard-sized Badami paper during the official year ending 31st March, 1935, amounted to approximately 25 tons and 52 tons, respectively.
- (4) *Classification.*—Badami paper is assessable under item No. 44 (1) or 44 (2) of the Indian Customs Tariff, according as it is found on test to contain Mechanical Wood Pulp amounting to "less than 70" or "not less than 70" per cent. of the fibre content. So far, however, all such paper has been found on test to contain not less than 70 per cent. of Mechanical Wood Pulp.

Collector of Customs, Madras.

Letter No. R. O. R. 875/35-Ap., dated the 13th August, 1935.

BADAMI PAPER—ASSESSMENT AND CLASSIFICATION.

I have the honour to refer to your letter No. 502, dated the 31st July, 1935.

2. I give below particulars of the varieties of badami paper imported at this port with the prices for each variety:—

Varieties of paper.	Sizes.	Price per ton c.i.f.
(1) Glazed	17"×27"—16, 20, 24 and 28 lbs.	From £11-10 to £12-5.
	25"×20"—25 lbs. . .	£11-10.
	25"×40"—35 lbs. . .	
	27"×34"—32 and 48 lbs.	
	Reels 17" wide substance of 17"×27"—16 lbs.	£11.
(2) Unglazed	17"×27"—16 lbs. . .	£12-1.
	27"×34"—32 lbs. . .	
	Reels 17" wide substance of 17"×27"—16 lbs.	

3. I regret that figures of tonnage cannot be given as imports of Badami paper are not separately recorded.

4. These papers are assessed as coloured printing paper according to the contents of Mechanical Wood Pulp under Item 44 (1) or 44 (2) of the Indian Customs Tariff as the case may be.

*Letter No. 556, dated the 22nd August, 1935, from the Tariff Board, to
(1) All Collectors of Customs, (2) Forest Research Institute, and (3)
Central Board of Revenue.*

[In continuation of this office letter No. (2) 433/(3) T./4, dated the 25th June, 1935/7th August, 1935], I am directed to enclose herewith copy of a letter No. 59-P. M. A., dated the 20th August, 1935, from the Indian Paper-makers' Association for information and for favour of (1) and (2) your opinion/(3) your obtaining from Dr. Dunncliff his views, as to the practicability of the adoption of either or all in the Customs laboratories in India of—

(1) Messrs. Sindall and Bacon's latest method for indicating relative hardness of papers under examination;

(2) Flotation test for writing papers, and

(3) The "Ferro-Cyanide" test for papers other than writing paper; with a view chiefly to determine the distinction between printing and writing papers by some such sizing test.

2. As the time at the disposal of the Board is very limited, I am to request you to treat this matter as urgent and to forward (1) and (2) your opinion/(3) Dr. Dunncliff's views (with six spare copies) so as to reach this office not later than the 3rd September, 1935.

[] To (2) and (3).

Forest Research Institute, Dehra Dun.

Letter No. 3818/37, dated the 30th August, 1935.

With reference to your letter No. 556, dated the 22nd August, 1935, I have the honour to enclose herewith a note by the Officer-in-Charge, Paper Pulp Section of this Institute.

Enclosure.

**COPY OF A NOTE DATED THE 28TH AUGUST, 1935, BY THE OFFICER-IN-CHARGE,
PAPER PULP SECTION, FOREST RESEARCH INSTITUTE.**

Reference letter from the Tariff Board below regarding the adoption of one or more methods, at the Customs Laboratories, for determining the relative degree of sizing of papers.

While the "Ink flotation" test and the "Ferro-cyanide" test do indicate the relative degree of sizing, I would give preference over them to the "Dry Indicator" test, on which Sindall and Bacon's method is based, for the following reasons:—

- (1) The "Ink flotation" and the "Ferro-cyanide" methods are not capable of being so well standardised as the "Dry Indicator" method, and
- (2) Personal equation plays a far greater part in the Ink flotation and Ferro-cyanide tests than in the Dry indicator test.

I believe Sindall and Bacon's method will give satisfactory results, if the technique of the method is standardised. From enclosure "A" of the Tariff Board's letter, giving account of the method, it appears that the technique of the method has not been standardised in full details. I would, therefore, recommend that the technique of the method, as standardised by the Technical Association of the Pulp and Paper Industry, United States, after several years of investigation and research work, may be adopted at the Customs laboratories. A copy of the standard method for adoption by the Customs Department is attached herewith. We have adopted this method for recently carrying out, at the request of the Tariff Board, the sizing tests of papers.

The method will express the degree of sizing of papers in numbers (seconds or minutes). This alone, however, will not be sufficient for the purpose of the present enquiry, which is to demarcate writing and printing papers in a certain class of papers, viz., mechanical pulp papers containing 70 per cent. or more of mechanical pulp. In order to differentiate writing from printing papers in this class, it is necessary to fix a maximum number, as determined by the method recommended, for the degree of sizing of printing papers. Any paper, the degree of sizing of which is expressed by a number of higher than this, would then be classed as "writing paper".

**Special Chemical Adviser, Central Board of Revenue,
Camp Simla.**

Letter No. S. C. A.-Paper 1935, No. 2, dated the 31st August, 1935.

I have the honour to say that the Central Board of Revenue has requested me to answer to your letter No. 556, dated the 22nd of August, 1935, direct and I enclose accordingly seven copies of my views on the proposed tests for distinguishing between printing and writing papers by tests designed to determine the degree of sizing on the papers under examination.

As the Members of the Board will observe, I foresee no difficulty in carrying out these or any other approved tests but it is quite essential that they should be clearly specified in every detail and that standard samples of paper should be available so that their action on samples under test may be compared with the accepted standards.

Enclosure.

PROPOSED TESTS TO DISTINGUISH BETWEEN PRINTING AND WRITING PAPERS—
REFERENCE:—TARIFF BOARD LETTER NO. 556, DATED THE 22ND AUGUST,
1935, ADDRESSED TO THE SECRETARY, CENTRAL BOARD OF REVENUE.

Three tests are proposed:—

- (a) Sindall and Bacon's test for relative hardness of sizing.
- (b) The ferro-cyanide test for time of penetration.
- (c) Sindall and Bacon's "flotation" test for relative hardness of sizing.

There is no difficulty in carrying out these tests at all the Board's laboratories and experienced chemists are available to do the work who are capable of tackling any standard method.

The methods would have to be carefully standardised by some Central Paper Makers' Association and a set of standard papers of repeatable specification provided so that tests could be checked up periodically.

Method (a).—The Association would be expected to specify the standard "drawing pen of the bar type", the angle at which it should be laid or pressed on the paper and, if pressed, the method of exerting and amount of pressure. The exact method of making up Schlutting and Naumann's Normal ferro-gallic writing ink should be prescribed and the quality of the reagents clearly specified. The blue dye should be exactly specified.

Presumably no "spreading" is allowed but before long we shall undoubtedly be told that a "little" spreading is permissible. What is a "little"? The amount of spreading permitted and its method of measurement by a micro gauge should be clearly set forth.

It might be necessary to define humidity conditions for this test.

From time to time we are up against the type of arguments that we are "general analytical chemists" and that therefore our opinion cannot be really valuable (unless favourable to the importer or appellant) in opposition to that of a paper "expert". Our experience in Mechanical Wood Pulp cases has been that, in sufficient cases to be significant, unreliable certificates are submitted in support of paper cases and we must be protected. It takes time to judge between true and false certificates.

(b) *The 'ferro-cyanide' test.*—There is no difficulty about the operation of this test but the instructions should be more specific. Does the solution contain 5 parts per hundred weight by weight of $K_4Fe(CN)_6 \cdot 6H_2O$, the usual solid reagent, or 5 parts of $K_4Fe(CN)_6$ anhydrous? This is how the instruction reads but probably the former is intended.

Ferric chloride solution of "5-10 per cent. strength" is very indefinite. Does it contain sufficient hydro-chloric acid to prevent excessive hydrolysis? Old ferric chloride would behave differently from the freshly prepared reagent. Presumably in this case $FeCl_3$ (5-10 per cent.) means 5-10 per cent. of ferric chloride calculated as anhydrous salt.

(c) *Method of sizing.*—The degree of fineness of the castor sugar should be stated in terms of wire gauge mesh.

A set of suitable dyes for given approximate ranges of coloured paper should be clearly specified and not left to the option of the operator.

Summary.

There is absolutely no difficulty about our carrying out the tests at the Board's laboratories but it is essential that—

- (i) the methods, reagents, etc., should be clearly specified;
- (ii) repeatable samples of suitable ranges of standard papers should be available for control and comparative testing;
- (iii) it is desirable that both (a) and (b) should be accepted by the Trade. This, however, is a matter for the administrative officers to decide and I can only propose it to save the testing laboratories from an inordinate number of complaints.

Collector of Customs, Bombay.

Letter No. 23/35, dated the 27th August, 1935.

SIZING TESTS—ADOPTION OF, FOR DISTINGUISHING BETWEEN PRINTING AND WRITING PAPERS—YOUR LETTER NO. 556, DATED THE 22ND AUGUST, 1935.

I have the honour to refer to your letter cited above.

2. I enclose herewith a copy of a Note by my Chemical Examiner, which deals with the points raised.

3. The Special Chemical Adviser to the Central Board of Revenue, Lahore, has not been consulted.

Enclosure.

Copy of Note, dated the 24th August, 1935, from Mr. S. S. Aiyar, Chemical Examiner for Customs, Bombay.

1. The inkmarks test is simple and can be adopted as a routine test. We can also make the standard ink recommended by Schutting and Naumann. The Paper Makers' Association do not say anything *re*: the borderline cases which always give us trouble. I would recommend distribution of samples of limit papers after testing a number of samples, if the test is adopted by the Government. We may recommend its adoption.

2. Sindal and Bacon's test for relative hardness of Papers.

This test will have to be applied as a confirmatory test in case the inkmark test is not conclusive. The authors have not however laid down the minimum time limit for penetration in the case of writing papers. This will have to be fixed by the Tariff Board or the Central Board of Revenue after we have comparatively tested a number of paper samples.

3. The ferro-cyanide test (for sizing) applied to papers other than writing paper.

This again involves a time factor. The Indian Paper Makers' Association specify a penetration time of 15 seconds. We do not know what the paper importers have to say on the matter. The recommendation is only tentative and we will have to fix the time factor after we have tested a number of samples of imported papers.

In my opinion we will have to adopt all three methods to enable us to definitely distinguish printing from writing papers.

Collector of Customs, Madras.

Letter R. No. 1073/35, dated the 29th August, 1935.

TEST—DISTINCTION BETWEEN PRINTING AND WRITING PAPER.

I have the honour to refer to your letter No. 556, dated the 22nd August, 1935.

2. The tests mentioned in the letter depend upon comparison of the time taken for standard liquid preparations to soak through pieces of the samples of paper floating on them, the time required being a measure of the degree of sizing. The Assistant Chemical Examiner of this Custom House is of the opinion that these are very rough empirical tests and require careful standardisation by testing a large number of authentic samples under varying conditions at different laboratories, before they can be adopted in practice. Of the three tests mentioned in your letter, the "Ferro-Cyanide" test is said to be preferable, because the liquid can be prepared to exact strength, there being no insoluble or partly soluble ingredients.

3. I have had no time to consult the Special Chemical Adviser to the Central Board of Revenue, but I am sending him copy of the correspondence for favour of expressing his opinion direct to you.

Collector of Customs, Karachi.

Letter No. 1662/35, dated the 29th August, 1935.

I have the honour to refer to your letter No. 556, dated the 22nd August, 1935.

2. From a few preliminary experiments carried out in this Custom House Laboratory, it appears that the methods suggested are quite suitable. The details regarding time limit will have to be worked out later on actual samples of writing and printing papers and on border line cases.

Collector of Customs, Calcutta.

Letter No. 515, dated the 30th August, 1935.

I have the honour to refer to your letter No. 556, dated the 22nd August, 1935.

I enclose a report from my Chemical Examiner from which it appears that the tests can be carried out in the Custom House laboratory.

As regards the last sentence of the note, high class printing and writing papers are comparatively expensive, so that if the tariff is framed so that protected papers pay the Protective Duty or the Revenue Duty whichever is higher these papers will be assessable in any case at the revenue rate and it will not be necessary to test.

Enclosure.

CUSTOM HOUSE, CALCUTTA.

The Association recommend—

- (1) Writing test and Flotation test with Ferro-gallic ink made according to a fixed formula, for finding out the suitability of Paper for writing purpose.
- (2) Ferro-cyanide test for paper other than writing paper. They recommend a penetration of time limit for 15 seconds.

They also mention Sindall and Bacon water penetration test for indicating the relative hardness of sizing of paper

These are standard tests and are easy to carry out.

They have been found valuable to distinguish Printing and Writing papers in most cases.

The Penetration time limit of 15 seconds as recommended by the Association would, I think be suitable for recognising cheap Printing Papers (soft-sized). But experiments on extended range of samples would be necessary to find out the time limit, etc., to suit our purpose.

Hard-sized and costly printing papers ("Capital" printing paper), Imitation Art Printing Papers, etc., do not show any penetration of Potassium Ferro-cyanide solution within the time limit of 15 seconds. But imitation art papers are not suitable for writing purposes and can easily be differentiated. High class Printing and Writing Papers are in my opinion difficult to distinguish by the above tests. They contain little Mechanical Wood Pulp.

Collector of Customs, Rangoon.

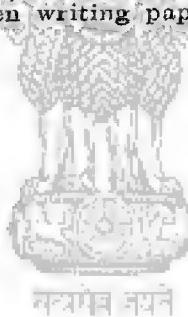
Letter C. No. 555/35, dated the 31st August, 1935.

PRINTING AND WRITING PAPER—TEST OF.

I have the honour to refer to your letter No. 556, dated the 22nd August, 1935.

2. My Assistant Chemical Examiner has no experience of the tests referred to in your letter. Consequently I am unable to offer any useful comments on their respective merits, from the point of view of convenience. But it is not anticipated that in practice any difficulty will be experienced in applying any of the three that may be finally decided for adoption.

3. I may add that under our present system any duplicating paper on which the ink spreads in writing and which is absorbent is not regarded as writing paper. I consider that this simple method which has worked well in practice can with advantage be extended to all papers in regard to which it may be claimed that they are not writing paper. The experience of this port is not such as to point to the necessity of prescribing chemical tests for distinguishing between writing paper and printing paper.



COLLECTOR OF CUSTOMS, CALCUTTA.

Evidence of Mr. W. J. WARD and Mr. J. C. BANERJEE recorded at Calcutta on Thursday, the 1st August, 1935.

President.—Mr. Ward, you are the Collector of Customs, Calcutta?

Mr. Ward.—Yes.

President.—Have you been in the Calcutta office for a long time?

Mr. Ward.—With intervals I have been here for the last 20 years.

President.—Have you any actual experience of the administration of tariffs on paper?

Mr. Ward.—My experience is in the administration of the Customs department, but I am myself not an expert.

President.—As a Collector you must have dealt with the Central Board of Revenue rulings and various other things connected with the question of the classification of paper?

Mr. Ward.—Yes.

President.—The first thing I would like to know is your opinion with regard to the new method which has been adopted by the Customs for testing printing paper, *viz.*, the Spence and Krauss' method.

Mr. Ward.—We have discussed that with Dr. Dunncliff several times. He is the Special Chemical Advisor to the Central Board of Revenue and his opinion is that it is quite a satisfactory method, and that is our official attitude towards it. Actually in practice we find the different chemists get substantially the same results when they work separately and also in practice we find that the tests administratively do not give much trouble. Mr. Banerji who is in charge of the Paper Section will be able to give you more detailed information.

Mr. Banerji.—Paper declared as containing 70 per cent. or more mechanical wood pulp is generally found on examination to be so, but recently we have had several border-line cases where according to test results the amounts of mechanical wood pulp have been found to be less. This, however, has been found to be confined to one particular kind of paper, *viz.*, the cheap kind of art paper.

President.—Your opinion is that this method is definitely an improvement on the one which was in vogue before?

Mr. Ward.—Yes.

President.—And that the border line cases are at present very few.

Mr. Ward.—Yes.

President.—And this method has generally given satisfaction to the importers?

Mr. Ward.—Yes.

President.—You are aware that this method has been adopted in all the Custom Houses throughout India, but sometimes it has been noticed, as you yourself have said, that paper analyzed in the Custom House at Calcutta paid a higher or lower duty when it was sent to Lahore.

Mr. Ward.—I do not remember more than two cases of that kind.

President.—What is the practice at Lahore; is that the same method?

Mr. Ward.—The practice is that our trained chemists are under the general supervision for technical purposes of the Special Chemical Advisor to the Central Board of Revenue. The test applied here is applicable for the whole of India and is authorised by the Central Board of Revenue; and in case of doubt when it is necessary to corroborate the result of any test, we normally send samples to the laboratory which is directly under the control of the Special Chemical Advisor.

President.—That laboratory is not attached to the Custom House; it is a control laboratory where anybody can send a sort of appeal and if on analysis there it is found that the decision of your analyser is not correct you are bound by that finding?

Mr. Ward.—Yes.

President.—Would you, in the ordinary sense, describe the analyser attached to the Custom House as an expert?

Mr. Ward.—Yes.

President.—What is the usual system of appointing a man?

Mr. Ward.—The present staff has been there for a very long time; they are definitely qualified.

President.—The reason why I ask is this that sometimes, as you yourself agree, there have been different results in different Custom Houses though the method is the same.

Mr. Ward.—They are very rare. Actually the competence of our chemists is one of the matters which the Special Chemical Advisor to the Central Board looks after. He is quite satisfied with the competence of our chemists.

President.—I understand that all papers that come in are not analysed and tested and perhaps quite rightly, because it would lead to a great deal of difficulty and delay to the importers.

Mr. Ward.—In general we test all papers where there is any likelihood of doubt as to what the exact classification should be.

President.—As far as I understand it, generally the practice is that the appraiser takes a few sheets out of a consignment and if he is not satisfied or if he thinks that a case is doubtful, then he sends it for testing.

Mr. Banerji.—As soon as a paper bill of entry is presented to the jetty appraiser and packages are opened for examination, samples from them are sent to the Principal Appraiser before the goods are finally passed. If the Principal Appraiser by physical examination doubts the assessment, he sends it to the chemical examiner for test.

Mr. Batheja.—That discretion lies with the Principal Appraiser?

Mr. Banerji.—Yes.

Mr. Batheja.—He is not bound to send every consignment to the chemical examiner?

Mr. Banerji.—No.

President.—I suppose this custom is more or less based on experience gained by the Principal Appraiser in dealing with classes of paper.

Mr. Banerji.—Yes.

President.—Does he take into consideration the value of the paper?

Mr. Banerji.—Yes.

President.—That means that if it is below a fixed value for a ton then he says automatically it comes under protection or does not come under protection. So he takes the value of the paper into consideration apart from the quality of the paper that he is examining and it is open to the importer to challenge the decision and in which case paper is tested.

Mr. Banerji.—Yes.

President.—How do you distinguish printing paper from writing paper?

Mr. Banerji.—The essential feature of a writing paper is that it is hard sized and is able to stand writing in ink which does not spread on the surface. Printing paper may or may not be hard sized depending on the purpose for which it is intended.

President.—If the paper is found to be a writing paper according to the definition you have now given, then it is not tested at all. All writing paper is coming under the protected class?

Mr. Ward.—Yes.

President.—We have received one or two complaints from the Paper Makers Association that a certain writing paper was passed as printing paper and subjected to a revenue duty, because it contained 70 per cent. or more of Mechanical Wood Pulp. Is it only hard sized that is taken into consideration?

Mr. Banerji.—No. Not only hard sized but the fact that there are also standard sizes of writing papers.

President.—In the ordinary course you would class as printing paper that paper which has absorbent qualities?

Mr. Banerji.—Yes. That is considered soft sized paper.

President.—With regard to newsprint have you got any definition laid down by which you can distinguish newsprint from ordinary printing paper?

Mr. Banerji.—No.

President.—How do you distinguish it for statistical purposes?

Mr. Banerji.—All newsprinting papers which are imported at this port are assessed at the revenue rate of duty, because they contain mechanical wood pulp not less than 70 per cent.

President.—If you will see the statistics you will find that under non-protected class there are two classes, one is called non-protected newsprint and another is printing, all sorts.

Mr. Banerji.—Newsprintings are all non-protected.

President.—There is a certain amount of printing paper of a newsprint quality which is coming in as protected. I find that from all India figures.

Mr. Banerji.—That is not through the Calcutta port.

President.—Leaving aside the protected paper which is now coming in, you will see there is newsprint under the head printing paper not protected and also printing paper, other sorts which is also not protected. You will agree that all printing paper which is not protected need not necessarily be newsprint. Therefore there must be some sort of guide which enables the Custom House to distinguish between these two classes.

Mr. Banerji.—In all doubtful cases we send the paper for analysis.

President.—I am not talking of the analysis. It is stated by paper makers that all printing papers are classed into two heads, protected and non-protected. In the non-protected class there is newsprint as well as other cheap printing paper, therefore, for statistical purposes you must distinguish in your own Custom House the two kinds of printing paper.

Mr. Banerji.—At the Calcutta port almost all printing papers which are not newsprint are assessed to duty at the protective rate.

President.—Do I understand that no printing paper under the head 'Printing Paper, not protected', is coming through the Calcutta Custom House?

Mr. Banerji.—No.

President.—Non-protected printing paper is regarded as Newsprint. How do you classify the coloured? Non-protected Printing paper is again divided into two: one is assessed at the tariff value which is white or grey and the other is assessed at the market or invoice value which is coloured.

Mr. Banerji.—We have only one class of coloured paper which is imported in five or six assorted sizes. They are thin newsprinting paper.

President.—They are unglazed coloured thin.

Mr. Banerji.—Unglazed. They are all passed as newsprint. Times without number they are tested and they are found to contain not less than 70 per cent.

President.—Even the coloured papers which are classed as newsprint also come under the newsprinting class and not coming under 'other sorts'.

Mr. Banerji.—There is only one class of paper, unglazed coloured thin. They come in five or six assorted sizes. Only the deep blue is passed as wrapping paper.

President.—Which is not protected according to the Central Board of Revenue's Ruling?

Mr. Banerji.—The other colours are all passed as non-protected.

President.—They come under the head 'Newsprint'.

Mr. Banerji.—Yes.

President.—You have no knowledge of how the other Custom Houses distinguish between newsprint and other non-protected papers.

Mr. Banerji.—No. Here I am certain that almost all printing paper other than newsprinting are passed at the protective rate. Only newsprint is passed at the revenue duty.

President.—Your point is that as regards newsprint you simply take the 70 per cent. of mechanical wood pulp as a guide.

Mr. Banerji.—Not less than 70 per cent.

President.—That is, in your opinion, Newsprint.

Mr. Banerji.—Also from the use; we have made an extensive study of the market.

President.—Newsprint will not stand rough handling and is ordinarily used for newspapers, handbills and cheap magazines. You take that definition into consideration in determining that a particular class of paper is a newsprint.

Mr. Banerji.—Yes.

President.—And your opinion is that as far as the Calcutta port is concerned, all the non-protected printing paper is grouped whether coloured or white or grey under the newsprinting class and all the rest come under the protected class.

Mr. Banerji.—Practically.

President.—When the consignment comes, Mr. Banerji, how do you find out the invoice value and the market value? There is a good deal of controversy with regard to the basis of duty.

Mr. Banerji.—In every case the invoice is produced, and market value is ascertained by actual enquiry.

President.—You don't always accept the invoice value?

Mr. Banerji.—Assessment is not made on the invoice except where market value is not ascertainable.

President.—What method do you adopt to ascertain whether the invoice value is correct or not?

Mr. Banerji.—The same quality of paper is imported by other importers and the invoices pass through our hands and we are in a position to know what the correct value is.

Mr. Batheja.—Is that the only check you have got?

Mr. Banerji.—Also in doubtful cases we make enquiries in the market.

Mr. Ward.—The Appraiser has got full power to call for the documents of the transaction and the correspondence with the shippers.

President.—It is also laid down that in cases where the importer disagrees with the value on which the duty is assessed, it is open to Government to proceed under Section 32 of the Sea Customs Act and buy off the consignment at the declared price.

Mr. Ward.—Yes.

President.—In that case the consignment is sold at the risk of Government.

Mr. Banerji.—At public auction.

President.—In that case the question of demurrage doesn't arise even if it takes more than 3 days.

Mr. Banerji.—No.

President.—As you know the Port Commissioners allow the free use of godown for only 3 days and over and above that period they charge rent. In cases in which there is a dispute, the Custom Houses generally take more

than 7 to 8 days for the goods to be cleared from start to finish. In such cases would it be possible for the Custom Houses to recommend where the importers are not at fault that the rent free period might be extended?

Mr. Ward.—That is a difficult question. It is a common complaint over the whole field of importation, not merely paper, and we find ourselves in a very difficult position to make a recommendation of that kind, because in practice it is very difficult to distinguish between what an importer can do and cannot do to help himself.

President.—There had been cases even in the previous enquiries where I found that as much as 10 days were taken which was not due to the delay on the part of the importer, but due to the process which was generally applied to ascertain the amount of duty in cases of dispute.

Mr. Ward.—The actual ascertainment of facts and the assessing of responsibility for the delay are difficult points, but as far as possible we try and arrange the procedure in such a manner that such cases would not ordinarily arise. Generally speaking, when the assessment, for instance, depends upon examination, or test of samples, we allow the importer to take delivery of his goods before the settlement of the question on a guarantee with a deposit sometimes—that he will pay up the difference in duty if he is called upon to do so without prejudice to his own right.

Mr. Batheja.—Does he take delivery under bond?

Mr. Ward.—Under the guarantee.

Mr. Batheja.—Has he to spend anything for this procedure?

Mr. Ward.—Re. 1, nothing material in that way.

President.—You do not always insist that he should pay cash at the higher rate.

Mr. Ward.—Not always. It is a matter of discretion which is exercised according to the standing and status of the importer.

President.—How many days generally does a test take?

Mr. Banerji.—Generally speaking in cases where a test is necessary, we take 3 to 4 days to a week. It is generally the case that goods which are held up for test are passed on the undertaking.

President.—Is the test carried out on one sample or more than one sample?

Mr. Banerji.—We usually send two or three sheets.

President.—From two or three bales and not from one bale?

Mr. Banerji.—Not from one bale.

President.—If the results vary with regard to those samples, then you take an average.

Mr. Banerji.—In that case the Chemical Examiner will ask for more samples and we supply another sheet or two.

President.—*Mr. Ward*, how do you determine the margin of error?

Mr. Ward.—The Central Board of Revenue have issued instructions about that which I will read with your permission. "Under the Bamboo Paper Industry Protection Act, 1932, the minimum percentage of mechanical wood pulp and the fibre content of the printing paper which qualifies the paper for being passed at the revenue rate of duty has been altered from 65 to 70. To allow for the two factors of inequality in manufacture and error in testing a margin of 5 per cent. will be allowed in all cases and in exceptional cases this margin may be exceeded at the discretion of the Customs Collector provided he is satisfied that the order was given for a paper containing 70 per cent. mechanical wood pulp." The arithmetical effect of that in practice is that if the Chemical Examiner's figure is 62 or more, practically speaking it is always passed.

President.—On a non-protective basis?

Mr. Ward.—Yes, because all these people give us certificates from the manufacturer that 70 per cent. paper was ordered.

President.—It is altogether 10 per cent. Over and above this have the Central Board of Revenue vested the Collectors of Customs with a discretionary power.

Mr. Ward.—Not beyond that.

President.—Up to 5 units if the Collector is satisfied that paper ordered contained more than 70 per cent. mechanical wood pulp.

Mr. Ward.—Yes.

Mr. Batheja.—Is the discretion allowed to the Collector by the Central Board's orders freely exercised?

Mr. Banerji.—In all cases.

President.—You are aware that before 1927, the analysis was on the total weight rather than on the fibre content. I understand that this is a distinct improvement which was recommended and accepted by the Government and that your difficulty of analysis has been lessened by this change.

Mr. Ward.—As far as we are concerned, we have no difficulty. We accept the results of the Laboratory.

President.—I am only talking of the past practice. The past practice was to take the total weight rather than the fibre content. It was before 1927.

Mr. Ward.—I am afraid I do not know what the other test was.

President.—In 1925 the Tariff Board recommended protection and it was disputed whether it should be on the total weight or on the fibre content. Up till then that was the practice.

Mr. Banerji.—In 1924-25 we had several complaints and all the paper importers waited on deputation before Mr. Lloyd to change the method of test. Since then the new method has been introduced. We have not received any complaint except in a few cases with regard to the analysis of cheap qualities of art printing paper.

President.—The difficulty originally was with regard to the loading.

Mr. Banerji.—Yes.

President.—But the fibres which the manufacturer puts in the beater and which comes out in the paper does not vary and it is easily distinguished. Therefore it is a distinct improvement on the old system.

Mr. Banerji.—That is admitted by the Paper Import Association.

President.—Mr. Ward, when do you generally refer matters to the Central Board of Revenue?

Mr. Ward.—Only if we have any doubt ourselves.

President.—Not on the representation of an importer?

Mr. Ward.—The importer can appeal against my order.

President.—You yourself can refer on your own if you feel any doubt on the subject.

Mr. Ward.—We refer the case to the higher authority, if we find that there is an inconsistency between our own Custom House and any other Custom House. I don't think any case has arisen in the case of paper.

President.—I think the decisions of the Central Board of Revenue are in the nature of semi-judicial findings.

Mr. Ward.—They are executive findings, if I refer to them to clear up my own doubts. They will be binding on me and on the other Custom Houses. They are only semi-judicial, if they pass an order on appeal.

President.—If the Central Board of Revenue gives a decision even if it is referred to by one Collector of Customs, it is binding on all Collectors of Customs.

Mr. Ward.—Yes.

Mr. Banerji.—With regard to the assessment of paper, we have not referred the matter to the higher authorities during the last 5 or 6 years or 10 years. We get references from the other ports with regard to the assessment of paper.

President.--There have been considerable difficulties in the other ports.

Mr. Banerji.--Yes, I believe so.

President.--Now a good deal of dissatisfaction has been caused, I understand, to the traders and importers with regard to the penalty clause and I would like to know something about it in order to clear the atmosphere as I would term it.

Mr. Ward.--Do you mean the penalty for any misstatement?

President.--Yes. I understand that if the attention of the Collector is drawn by the Appraiser to an irregularity, then the penalty is fixed by the Collector and part of it not exceeding 50 per cent. is given to the Appraiser if it is merited. The amount so merited should not exceed Rs. 500 at any one time. I want to know the method which the Collector adopts before a decision is taken.

Mr. Ward.--The Assistant Collectors and Collectors have powers to impose penalty under the Sea Customs Act. It is Section 167 of the Sea Customs Act which states penalties leviable or imposable for misdescriptions. The Assistant Collector has powers to confiscate goods and impose redemption penalties up to the value of Rs. 250 and personal penalty up to Rs. 100. Mostly these penalties are imposed by the Assistant Collector. Only when he considers that his own powers are insufficient, he will put the case up for higher penalty. The penalty is imposable because of the wrong declaration of goods.

President.--That means *malafide* or deliberate misstatement or a statement due to accident or error.

Mr. Ward.--It is a matter for the Assistant Collector's judgment. If the expression '*Malafide*' includes carelessness, I think it would be a fair statement.

President.--Generally the Assistant Collector satisfies himself that it is a genuine case in which a penalty is deserved and also makes such enquiries as are necessary to ascertain whether a part of that penalty is merited by a particular appraiser or not.

Mr. Ward.--Yes.

President.--And it is not given in all cases.

Mr. Ward.--No, but in actual practice it is given in almost every case. The position is covered by a rule. The Government of India have issued rules which are published. The rule is to the effect that awards up to half the amount of the penalty realised may be given to the officers concerned who bring to light offences. That is a very old practice which is not confined to paper.

President.--In your letter dated 28th June you have mentioned that there have been fairly frequent border line cases with regard to the Art Paper. What is the difficulty that has been experienced?

Mr. Ward.--Our Chemical Examiner has found percentage of mechanical pulp between 60 to 70 in most of these cases. All these cases are passed at the revenue rate when they are covered by the two allowances, 5 per cent. and 5 units, that is, 62 and above will pass.

President.--In this particular class of paper it has been found to contain 60.

Mr. Ward.--Yes, and even lower.

President.--Has there been any case in which the importer has gone to Lahore and succeeded in this particular class of paper?

Mr. Ward.--We have one case.

Mr. Banerji.--I remember only one case in which the minimum pulp content was found in the Lahore Control Laboratory to be more than 62.

President.--Whereas in your laboratory it was less than 62.

Mr. Banerji.--Yes. He has got the benefit of that. We have assessed it at the revenue rate. I know of only one such case. The final assessment is based on the Control Laboratory results.

President.—With regard to the wrapping and packing paper for examination, I suppose they can be easily distinguished from writing paper.

Mr. Banerji.—Yes.

President.—Is there any difficulty in distinguishing packing and wrapping paper from printing paper?

Mr. Banerji.—It can be distinguished.

President.—What are the peculiar qualities of packing and wrapping paper?

Mr. Banerji.—Thickness is the chief characteristic. They are strong papers. They also come in standard sizes.

President.—So that the margin of error would be between the writing and printing papers rather than between wrapping and printing papers.

Mr. Banerji.—Yes.

President.—Where would be the ambiguity?

Mr. Banerji.—There is no difficulty at this port.

President.—All packing and wrapping paper comes under revenue duty?

Mr. Banerji.—Yes.

President.—Whereas printing and writing papers are protected.

Mr. Banerji.—Yes.

President.—There is no difficulty in distinguishing one from the other?

Mr. Banerji.—No.

President.—It has been suggested to us that up to 35·5 grammes per square meter should be put as a limit both for unglazed coloured thin and unglazed white thin newsprinting. I suppose it is a workable description as far as the Customs are concerned.

Mr. Banerji.—Yes.

President.—There will be no administrative difficulty?

Mr. Banerji.—No.

President.—In the note which you have submitted you have not distinguished newsprint from other papers. You have grouped not only the newsprinting paper but also other mechanical paper containing more than 70 per cent. mechanical wood pulp which are normally used for the purpose of printing hand bills and cheap trade circulars under one class. That means you are putting all these papers which need not necessarily be newsprinting in the newsprinting class.

Mr. Banerji.—Here, the newsprinting paper is used for that purpose—for printing hand bills, etc.

President.—All printing paper non-protected comes under newsprint class.

Mr. Banerji.—Yes.

President.—Can you tell me how many tons generally pass through Calcutta port of this newsprint non-protected class?

Mr. Banerji.—I have to look up the records.

President.—I wanted to know the amount because I thought it would give us an idea of the amount passing through Calcutta.

Mr. Batheja.—May I refer you to your letter dated the 8th February 1933 to the Central Board of Revenue? In that letter you express your opinion on the classification suggested in the Commerce Secretary's letter and also your opinion on the views which had been received from the importers, manufacturers and so on. You will remember that the classification suggested by the Government of India in the Commerce Department reversed the existing procedure of classifying papers.

Mr. Ward.—Yes.

Mr. Batheja.—Instead of specifying protected papers and leaving the rest as a residue, the Commerce Department wanted to specify non-protected

papers and leave the protected papers as a residue. In this letter you seem to express a preference for the existing method.

Mr. Ward.—Yes, the position being that although the administration of the paper tariff was exceedingly difficult at the beginning, since the last change was made it has been comparatively easy. All the difficulties have been got over partly by the change and partly by case rulings. We thought that if any change was made in the tariff, it was likely to raise newer difficult questions as any tariff change was likely to raise difficult questions.

Mr. Batheja.—Yes, questions which could not be anticipated, however competent the authorities might be. In view of those considerations, do you still stick to the same opinion, viz., that it is better to leave the classification as it is in its present form?

Mr. Ward.—As far as we are concerned, from the administrative point of view, the present tariff is quite all right and we can easily work to it.

Mr. Batheja.—The main justification for the Commerce Department classification was that he thought that they would be able to avoid the necessity of defining printing and writing papers. Since printing and writing papers are subject to different treatment, we cannot escape defining them. Even if we do not, the Customs cannot escape classifying these papers, as writing papers are all protected, whether they have 70 per cent. or more of mechanical wood pulp, and printing papers are partly protected and partly unprotected; so you cannot escape the difficulty of defining at all.

Mr. Ward.—In actual practice, it is not a difficulty.

Mr. Batheja.—The Commerce Department hoped that the necessity of defining these papers would be obviated. I wish to ask you whether the necessity will really be obviated.

Mr. Ward.—No. If any change in the tariff is made, it means new classes are going to be brought into being, and there is no guarantee that the new tariff is going to be easier than the old.

Mr. Batheja.—On the whole, you prefer the old classification.

Mr. Ward.—Yes, on the practical ground that it has worked well. We cannot say, with regard to any new classification, until we actually see it in print, whether it is likely to cause any trouble or not.

President.—Your present opinion is that the existing method has worked well without trouble and that therefore you would rather not disturb it.

Mr. Ward.—Yes.

Mr. Batheja.—That is, from the administrative point of view.

Mr. Ward.—Yes.

Mr. Batheja.—The present method has got one or two difficulties. Certain classes of paper are referred to the Testing Department and in certain cases abnormally extensive enquiry is necessary regarding the ordinary use of the imported paper. What is your procedure when you make an enquiry? Why should it be so long as that?

Mr. Ward.—We don't often have to make extensive enquiries.

Mr. Batheja.—Since you wrote that letter dated the 8th February, have the cases become less and less?

Mr. Ward.—Yes.

Mr. Batheja.—Have the difficulties been minimised?

Mr. Ward.—Yes.

Mr. Batheja.—In actual practice, how do the Customs distinguish between writing and printing papers for the assessment of duty?

Mr. Banerji.—Writing paper is usually hard sized and able to stand writing with pen and ink.

Mr. Batheja.—How do you determine whether it is hard sized or not?

Mr. Banerji.—In doubtful cases where there is a dispute, we test it.

Mr. Batheja.—What amount of sizing in a paper will make you say that it is hard sized or that it is soft sized? Do you actually make a laboratory test or some other test?

Mr. Banerji.—Not a laboratory test: only a writing test.

Mr. Batheja.—Do you write on it yourself?

Mr. Banerji.—Yes.

Mr. Batheja.—In the nature of things, it cannot be an exact test. I want to know whether there is any exact test.

Mr. Banerji.—Only the writing test.

Mr. Batheja.—A rough and ready test made by the appraiser?

Mr. Ward.—Quite.

Mr. Batheja.—In that case, there will be some difference of opinion. When one man says that the ink is spreading, another may say that the ink is not spreading.

Mr. Ward.—There has not been any difficulty in actual practice.

Mr. Banerji.—The writing paper is assessed at the higher rate.

Mr. Batheja.—On the whole, is this empirical test satisfactory?

Mr. Banerji.—Yes.

Mr. Batheja.—In this connection, I want to bring to your notice of one class of paper which is coming into the country. It has been asserted by the paper manufacturers in their evidence before us that a certain quality of paper containing 70 per cent or more than 70 per cent, mechanical wood pulp which was imported in printing size and passed by the Customs as printing paper is cut up into writing lengths and sold as writing paper. They have asserted that fair quantities of this paper are coming in and competing with their papers.

Mr. Banerji.—I do not know of any such case. Both writing and printing papers are assessed at the protective rate.

Mr. Batheja.—I am talking of paper containing more than 70 per cent. mechanical wood pulp.

Mr. Banerji.—I do not know of any such.

Mr. Batheja.—They showed us a specimen also of that paper.

Mr. Banerji.—Some time ago this was also brought to my notice by the importers, and I gave instructions to all the appraisers to keep a watch. But we have not come across any such case.

Mr. Batheja.—I am not questioning for a single moment the care with which the Customs authorities safeguard His Majesty's revenue. I am sure you exercise very great care in that respect. Suppose there are doubtful cases, how do you decide?

Mr. Ward.—We should not get on to them unless we were told by somebody: that is quite true.

Mr. Batheja.—The paper manufacturers have told us that this paper competes with their paper and therefore the effect of protection is to some extent lost. What I want to get at is whether there is any possibility of preventing that or whether it is possible to devise an exact test by which, printing paper may be distinguished from writing paper?

Mr. Ward.—We have never done it. We have not found any necessity for it so far. If it is brought to our notice, then we should look into it. It is very difficult to say at the moment as to what should be done to distinguish it.

Mr. Batheja.—At present, to see whether a particular paper is hard sized or not, the appraiser simply writes on it to find out whether the ink spreads or not. If that is all that is done, naturally there is room for

differential interpretation at different ports. An appraiser in Calcutta may conduct a test in one way and another at Madras may do it in a different way.

Mr. Banerji.—In cases of difficulty, we also consult the trade.

Mr. Batheja.—As far as possible, this constant reference to the trade should be avoided. That might be a counsel of perfection which it would be difficult to realise in actual practice. But the object of classification should be that it should cause minimum trouble to the Customs and minimum amount of inconvenience to importers and the manufacturers also should not have any cause for complaint.

President.—In all disputed cases, the market opinion is taken.

Mr. Banerji.—Yes, in every doubtful case.

Mr. Batheja.—In this case, there is no dispute between the Customs authorities and importers. It is the manufacturers who have complained because they think they are losing.

Mr. Banerji.—I have consulted in several cases the manufacturers. In fact, against importers we consult the manufacturers.

President.—You consult manufacturers on the ground that the Customs are likely to lose revenue.

Mr. Banerji.—Yes.

Mr. Batheja.—I am not raising the question of want of care. What we want to have is a basis of classification which would avoid these disputes. I want to know whether you can devise an exact test.

Mr. Ward.—So far, we have not felt any necessity for doing it. This case is quite new to us and we cannot at the moment suggest any test.

Mr. Batheja.—There is one class of paper which competes definitely with what is called badami paper. That is described by certain paper manufacturers as definitely printing paper. This paper comes to India and I find from your Appraiser that it is sometimes described as printing paper and sometimes as writing paper.

Mr. Banerji.—We go by the use of the paper. There is a ruling on the subject of Badami paper.

Mr. Batheja.—This is a list of the papers which have figured in our evidence. Take Buff Glazed, Half Sized; you will find that it is partly taxed under section 44 and partly under 44 (3); that is to say it is sometimes classed as writing paper and sometimes as printing paper. How do you distinguish between the two?

Mr. Banerji.—The only qualification is that one is capable of being written on.

Mr. Ward.—Which means that the paper has been treated in a special way to make it fit for use as writing paper.

Mr. Batheja.—Whether a paper is suitable for writing is determined by a rough and ready test; there is no other test.

Mr. Banerji.—No.

Mr. Batheja.—So that this class of paper is liable to create very great difficulties so far as the manufacturers are concerned: if it were treated as writing paper it would be protected and would compete with the Badami.

Mr. Banerji.—What we do in such cases is to consult both trade and manufacturers and if we find that it is suitable for writing we assess it at a higher rate.

Mr. Batheja.—That might vary from time to time according to the individual judgment of the Appraiser depending upon the nature of evidence which you have got about a particular consignment.

Mr. Banerji.—We do not have any disputes.

Mr. Batheja.—But that means there is room for the play of the individual factor which ought not to exist in the exact classification. I know very well that Badami paper is not imported at this port. I am only giving you an instance. It is imported in other ports and it is definitely established that it does compete with the indigenous class of paper known as Badami. How would you treat the case? You will declare that it is writing paper by writing on it?

Mr. Banerji.—By writing and also we consult with the trade and manufacturers.

President.—You will first satisfy yourself in such manner as you think necessary before you declare a particular paper as writing or printing paper and the difficulty arises from the fact that there is no clear margin drawn between writing and printing paper. There are border line cases on which you take such precaution as is necessary before you assess duty on it?

Mr. Banerji.—That is so.

Mr. Batheja.—The point is whether we can reduce these border line cases to a minimum. This is a paper which does give trouble to the manufacturers?

Mr. Banerji.—Yes.

Mr. Batheja.—Have you consulted your chemical analyser whether an exact test can be devised for this class of papers, I mean exact physical test, something better than the writing test which an appraiser generally makes? I think you might ascertain from the chemical advisor as to whether something can be devised. Then there are also disputes between printings and wrappings because certain class of wrappings can also be printed on and in some cases they are printed on and disputes arise from it. How do you distinguish between the two?

Mr. Ward.—So far as we are concerned these particular disputes are past history; these no longer cause difficulty. There are rulings given by the Central Board which are sufficiently clear; the importer may not like them, the manufacturer may not like them, but they are clear and settle the assessment.

President.—As far as you are concerned it is final and you act upon it?

Mr. Ward.—Yes. There is no administrative difficulty.

Mr. Banerji.—Here at this port I have noticed imports only of standard wrapping paper; they are a distinct class. There is no difficulty in distinguishing these from printing papers. I remember there was only once a difficulty several years ago and this ruling was obtained (shows the ruling).

President.—I know the case. It was raised in connection with a paper called war printing.

Mr. Banerji.—Yes.

Mr. Batheja.—The paper importers and manufacturers have made some suggestions for avoiding disputes in the future. They might agree but the Customs may not be agreeable. It has been suggested that M. G. Pressings should be classed as wrappings if they are above 24 lbs. demy and they should be classed as cover printing if they are below. I suppose that sort of thing need not cause any difficulty?

Mr. Banerji.—Here at this port all M. G. Pressings which are imported are used for cover printing and they can be classed as printing. There would be no difficulty in dividing them.

Mr. Batheja.—Duplicator Paper is proposed to be divided into hard sized and soft sized, hard sized to be classed as writing and soft sized as printing.

Mr. Banerji.—There will be no difficulty; they can be easily distinguished.

Mr. Batheja.—How?

Mr. Banerji.—By look or by writing, quick absorption of ink and so on.

Mr. Batheja.—Cartridge Paper. It is proposed that below 18×22 —24 lbs.=85 grammes should be classed as printing paper and above that Drawing paper.

Mr. Banerji.—There will be no administrative difficulty.

Mr. Batheja.—Take Badami paper. Can you give any expression of opinion on that? There is not much badami coming into the Calcutta port?

Mr. Banerji.—No.

Mr. Batheja.—Badami paper is described by the manufacturers themselves in their catalogues as printing paper but it has been proposed by some to be classed as writing paper. Will there be any difficulty?

Mr. Banerji.—If it is hard sized and if it can be written on, it can be classed as writing paper, but on this point we are not able to give any opinion because there has been no importation.

Mr. Batheja.—Proposals as regards unglazed coloured thin more or less follow the lines on which you have been administering the tariff regarding them under the authority of a Central Board Ruling, that is, if they have less than 70 per cent. mechanical, and if they are less than 26 grammes pulp content, they are exempted from the protective duty. This is more or less the present practice and there will be no difficulty.

Mr. Banerji.—Yes; there will be no administrative difficulty.

Mr. Batheja.—The next proposal is that Poster paper should be described as M. G. Poster.

Mr. Banerji.—There will be no difficulty.

Mr. Batheja.—Mechanical Art Paper. Some difficulty has been caused by the fact that you base your duty not on invoice value but on tariff value which has been determined by the Director General of Commercial Intelligence. It is also suggested that cover paper should be regarded as printing paper; that means below 70 per cent. to be protected and above 70 per cent. non-protected.

Mr. Banerji.—There is no objection.

Mr. Batheja.—Blotting paper just now is classed as stationery.

Mr. Banerji.—Yes, under section 45.

Mr. Batheja.—Why is it classed as stationery? Its composition is just the same as that of other papers. Is there any ruling on the point?

Mr. Banerji.—No. That is the practice.

Mr. Batheja.—If esparto papers were grouped together and assessed at the revenue rate of duty, will there be any difficulty?

Mr. Banerji.—No.

Mr. Batheja.—Can you distinguish esparto from other papers?

Mr. Banerji.—Yes, by looking at it.

Mr. Batheja.—Just now they are mostly protected paper, but they are of superior quality. Suppose they were grouped as a class by themselves, will there be any difficulty?

Mr. Banerji.—We will have to test them.

Mr. Batheja.—You do not regard envelopes as stationery, but you regard blotting paper as stationery?

President.—Blotting paper is not stationery according to the Seaborne Trade Returns. Actually it is shown under section 44. It is coming in as paper.

Mr. Banerji.—They are described in the Bill of Entry as stationery.

Mr. Batheja.—Just at present envelopes are classed under two divisions: envelopes made of writing paper come under section 44 (3); if made of paper resembling packing paper they come under section 44?

Mr. Banerji.—Yes.

Mr. Batheja.—They do not come under stationery?

Mr. Banerji.—No.

Mr. Batheja.—I suppose this is in accordance with the Central Board's Ruling? You have no option in the matter?

Mr. Banerji.—Yes. We have a ruling on envelopes. Envelopes made of writing paper are assessed under 44 (3).

Mr. Batheja.—You think on the whole if these suggestions are given effect to, there will be no administrative difficulty?

Mr. Banerji.—No.

Mr. Batheja.—Now, about this Spence and Krauss method: you say it is working satisfactorily. Has the Phloroglucinol test been improved in any way to make it a better and more exact test?

Mr. Ward.—We would have to ask the Chemical Advisor about it.

Mr. Batheja.—There are some special classes of paper, for instance coated paper, cover paper, which are separate classes by themselves and they are classified according to some physical attribute or some special use. At present they are partly distributed over the whole field of classification. They are mostly classed as part of printing paper. Which would you prefer—these papers to be classified according to the primary use or according to their secondary uses? In some cases these special classes of paper have more than one use. For instance Cover papers which are meant for covering are also printed on.

Mr. Ward.—The best criterion is usually the physical properties.

Mr. Batheja.—Cover papers are inferior class of papers. They are meant only for covering. They resemble more wrapping paper than printing paper and yet they are used for printing. For the purpose of classification would you prefer the physical attribute or the use?

Mr. Ward.—In a particular case it might be difficult, but generally we would fix it on the physical attribute.

Mr. Batheja.—Will it be doing a very great violence to usage if they are classed as printing papers?

Mr. Ward.—In fact they are used as cover paper.

Mr. Batheja.—They are printed on. Somebody has been arguing that the printing function is not so important as the covering. Printing occupies a very small portion.

Mr. Ward.—If it is ruled that cover paper is not printing paper, there will be no difficulty. We can recognise cover paper.

Mr. Batheja.—Is it a fact that most of the cover paper comes under 44 (2)? That means it is not protected. At present you class it as printing paper.

Mr. Ward.—Yes.

Mr. Batheja.—Printing paper has got two divisions, the revenue division and the protective division. Under which division would most of the cover papers come?

Mr. Banerji.—Non-protected.

Mr. Batheja.—Most of them escape as they contain more than 70 per cent. mechanical wood pulp?

Mr. Banerji.—Yes.

Mr. Batheja.—Is the quantity that comes under protective division negligible?

Mr. Banerji.—I think it is 40 to 60.

Mr. Batheja.—Is it as much as 40 per cent.?

Mr. Banerji.—Yes, I am speaking from memory.

Mr. Batheja.—You don't keep separate statistics—cover paper protected and not protected?

Mr. Banerji.—No.

Mr. Batheja.—It comes to as much as 40 and so it is not negligible.

Mr. Banerji.—No.

Mr. Batheja.—Duplicator paper is sometimes classed as absorbent paper. Blotting paper is also an absorbent paper. Would you rather classify them in accordance with the absorbing quality or in accordance with the physical attributes or in accordance with its use or partial use? I am asking you from the administrative point of view.

Mr. Banerji.—Use criterion is better.

Mr. Batheja.—In the case of coated paper, I suppose you prefer the physical attributes.

Mr. Ward.—Yes.

Mr. Batheja.—Coming to this definition of newsprint, I take it that you have a working definition of newsprint and in accordance with that definition, you collect your statistics. In reply to the President, you maintained that any printing paper which has got 70 or more than 70 per cent. mechanical pulp would be classed as newsprint irrespective of the fact that it is used for newspaper printing or for inferior grades of printing. That is your definition of newsprinting for statistical purposes.

Mr. Banerji.—Yes.

Mr. Batheja.—Is that definition uniform throughout India or are other Custom Houses collecting statistics in some other way?

Mr. Banerji.—I cannot say.

Mr. Batheja.—Have you received any instructions from the Director General of Commercial Intelligence as to how to collect statistics on the subject of newsprint?

Mr. Ward.—No.

Mr. Batheja.—That means to say you follow your own inclinations.

Mr. Ward.—Yes.

Mr. Batheja.—In that case there is the possibility of divergence of practice at different ports.

Mr. Ward.—Yes.

Mr. Batheja.—In that case statistics which we have got here may not be satisfactory.

Mr. Ward.—Statistics from the other Custom Houses do not come here.

Mr. Batheja.—You may interpret newsprint in one way and the Bombay Customs in another way, and if figures are collected for the use of the Director-General of Commercial Intelligence, they may not be trustworthy.

Mr. Banerji.—We do not know what the other Custom Houses are doing.

Mr. Batheja.—That is your own working of the definition for the purpose of collecting statistics?

Mr. Banerji.—Yes.

Mr. Batheja.—Suppose you enter newsprint as a separate class, would you accept the definition given by the paper manufacturers?

Mr. Banerji.—We might accept that.

Mr. Batheja.—If you accept it for the purpose of assessing tariff and collecting statistics, how would you classify other printing papers which do not come within this definition? This definition is a restricted one. How would you treat the residual class?

Mr. Ward.—As the Tariff Schedule stands at present, if item 44 (2) is altered to include only 'Newsprinting paper' instead of the present wording and we adopt the definition of newsprinting paper, any other printing paper will go under the non-protected item No. 44.

Mr. Batheja.—There is a class of paper which is printing paper containing 70 per cent. and more of mechanical pulp which is not included in the definition of newsprint as supplied by the paper manufacturers.

Mr. Ward.—That would have to be provided for if it is to be protected.

Mr. Batheja.—You would have to sub-divide item 44 (1) into two classes, newsprint and others.

Mr. Ward.—Yes.

Mr. Batheja.—Other printing papers having 70 per cent. and more than 70 per cent. mechanical pulp.

Mr. Banerji.—Yes.

Mr. Batheja.—You will treat it that way if newsprint is to be treated separately.

Mr. Ward.—Yes.

Mr. Batheja.—We are only concerned with the question whether it is administratively feasible or not.

Mr. Ward.—Yes.

Mr. Batheja.—You don't want to go beyond that?

Mr. Ward.—No.

Mr. Batheja.—With regard to the time taken in deciding disputed cases and so on, is there any means by which the time taken can be minimised? Can the present arrangement be improved upon in any way?

Mr. Ward.—We have not been able to improve upon the present method. It is for the importer to make a statement first. If he goes his own way, we cannot do anything for him. Our action depends upon his coming forward. If he comes forward and says that the goods are likely to be delayed, we allow him to take delivery of the goods under conditions. We are always prepared to consider that. The actual method by which we allow the goods to be delivered will depend upon the nature of the dispute and the position of the party concerned. Ordinarily in the case of big firms, we deliver the goods on an undertaking that they will pay any difference in the duty if they are called upon to do so.

Mr. Batheja.—The importers themselves have suggested two methods. One method is entirely outside the scope of our reference. That is the percentage of error should be greater and so on. That is practically modifying the scope of protection. Whether it should be 70 or 75 per cent. is not a question which we are free to determine. There is another suggestion which is also outside our scope of reference, but we simply refer it to you for any action that you may take and that is about the question of rent charged.

Mr. Ward.—It depends upon the Port Commissioners.

Mr. Batheja.—Both the suggestions are difficult to put into practice.

Mr. Ward.—Yes.

Mr. Batheja.—I suppose the real trouble is that the paper is a commodity on which there are bound to be disputes. It is inherent in the trade.

Mr. Ward.—We do our best to minimise them, but delays frequently arise, because the importer is not really aware of what he can do.

Mr. Batheja.—Do you experience any difficulty in the importers supplying the necessary documents which would facilitate the quick disposal of cases? Is it a fact that many importers do not supply papers for determining the duty?

Mr. Ward.—Some people are slow.

Mr. Batheja.—Are there some people who refuse to supply books?

Mr. Banerji.—Yes.

Mr. Batheja.—The Indian traders are very suspicious in some cases, not in all cases. In that case your task is rendered difficult and that may be a cause for delay.

Mr. Banerji.—Yes.

Mr. Batheja.—For that the importer himself is to blame.

Mr. Banerji.—Yes.

Mr. Batheja.—We cannot do anything more in this matter except to bring the complaints which came up in connection with this enquiry to the notice of the Collector of Customs.

President.—I would like to ask one or two questions with regard to newsprint. The Director-General of Commercial Intelligence lays down the items under which they want separate figures to be collected by the Custom Houses.

Mr. Ward.—Yes.

President.—The figures are generally collected by the Custom Houses.

Mr. Ward.—Yes.

President.—In the figures supplied by the Director-General of Commercial Intelligence, I find that newsprint and other printing papers had been grouped separately. The figures also show the share of Bengal as against the rest of the provinces. For 1933-34 newsprint is shown as 132,954 cwts. or 6,647 tons and printing paper, other sorts as 86,885 cwts. equivalent to 4,344 tons. Therefore there is no doubt that the Calcutta Custom House does distinguish newsprint from other printing paper non-protected. I think you may enquire how this distinction is made and let us have a note on the subject.

Mr. Ward.—Yes.

President.—What is the maximum price you consider before you think that a particular paper should be classed as non-protected you assess also some papers without testing on a certain value.

Mr. Banerji.—For white or coloured?

President.—For white.

Mr. Banerji.—£18 and above.

President.—Above £18 is protected.

Mr. Banerji.—Yes.

President.—What about the coloured?

Mr. Banerji.—£20 and above.

President.—Do you take the question of importing countries into consideration because I am informed that from Germany and Austria papers come containing a larger percentage of loading than from Scandinavia? That has also to do with the price.

Mr. Banerji.—I do not know.

President.—You generally take this value into consideration in arriving at the question of protection.

Mr. Banerji.—Yes.

President.—You also take into consideration other factors, besides the price one.

Mr. Banerji.—Other factors also.

President.—With regard to the question of discretion vested in the Collectors of the Custom Houses, I suppose Mr. Ward, whenever there is no ruling of the Central Board of Revenue, then the Collectors of Customs, devise their own method as to how to give effect to the Government Resolution in carrying out the tariff satisfactorily.

Mr. Ward.—The first persons to deal with the classification are the Appraiser and the Principal Appraiser. They are jointly responsible. In the ordinary course the classification finishes with them. Whenever there is any case of doubt, it is referred to the Assistant Collector, who in his turn, if he has any doubt refers it to the Collector, who again in case of doubt refers it to the Central Board of Revenue.

President.—In case there is no Central Board of Revenue's Ruling, each Collector decides or administers the tariff in such a manner as he thinks it

satisfactory, and therefore, there is a chance that there may be a difference of opinion with regard to the system which is devised in each port.

Mr. Ward.—Yes. The first decision would be with the Appraiser and the principal Appraiser. It might happen in the same port that identical articles are treated in a different way, but this could scarcely happen without detection to any important extent.

President.—In all disputed cases the Collector has the final voice.

Mr. Ward.—Yes, subject to appeal.

Mr. Batheja.—Our attention has been drawn to some cases where paper which has been assessed at the protective rate here has been assessed at the revenue rate at other ports.

Mr. Ward.—Yes. We do come across sometimes different practices at different ports. As soon as we discover this, we take immediate steps to rectify matters. We have not heard of the cases you mention.



Collector of Customs, Calcutta.

Letter No. 514, dated the 30th August, 1935.

1. The record of evidence is returned herewith duly corrected to the best of my memory and Mr. Banerji's. I add the following remarks and notes.

2. *Trade statistics of non-protected printing paper other than newsprint.*—It appears that there have been mispostings in the Statistical department of the Custom House. A corrigendum is being prepared amending the figures. The amended figures will more closely support Mr. Banerji's statements, as the only papers to be shown as non-protected printing paper other than newsprint will be of the types Poster, Stereo, Chrome and Fluit (assessable under item 44 of the Indian Customs Tariff) which are only imported in small quantity, and a small quantity of Cover Paper.

3. *Paper containing more than 70 per cent. Mechanical Wood Pulp declared as printing paper, but found to be suitable for use as writing paper.*—Since the evidence was given importations of paper have been detected. Some of them were in standard writing sizes and we have assessed them at the Protective rate as writing papers. Others were in standard printing sizes and evidence was produced that the paper was ordered for use in printing: these were passed at the Non-protective rate. Still other consignments were in non-standard sizes: the assessment of these is under consideration.

4. The practice is that in accordance with the Central Board of Revenue's Instruction No. 2 of 1932, published in a correction slip to page 75 of the Indian Customs Tariff Guide, a margin of 5 per cent. of the test figure is allowed—thus if the figure of percentage found at test is 62, we raise it to $62+5$ per cent. of $62=62+3\cdot1=65\cdot1$, and at the discretion of the Customs Collector a further 5 units may be added if the documents show that paper containing 70 per cent. or more Mechanical Wood Pulp was ordered. Thus if the last described condition is satisfied, paper found at test to contain 62 per cent. Mechanical Wood Pulp will pass, as $62+5$ per cent. of $62+5=70\cdot1$ which is over 70.

5. The present position is that the unglazed coloured thin papers are assessed at the Non-protective rate as they invariably contain not less than 70 per cent. Mechanical Wood Pulp. If it is proposed to admit these papers when containing less than 70 per cent. Mechanical Wood Pulp if they are 7½ to 10 lbs. demy, 35 grammes, there will be no administrative difficulty.

Controller of Printing and Stationery Simla/New Delhi.

(1) *Letter No. 393, dated the 12th June, 1935, from the Secretary, Tariff Board.*

I am directed to refer you to the Government of India, Department of Commerce, Resolution No. 202-T. (1)/35, dated the 25th May, 1935, and to request you to be so good as to furnish the Board with a statement showing the quantity of the various classes of printing paper ordered from and the prices paid to the Indian Paper Mills during the years from 1932-33 to 1934-35.

2. I am also to say that it would be useful to the Board in the present enquiry if you could also let them have the results of the tests that you might have carried out on the accepted samples of the Indian Mills and state how in the light of those tests the quality of the Indian papers compares with those imported. Please also state whether any preference is given to the Indian Mills, and if so what the exact percentage is.

(2) Letter No. 42/23/35-A. & F., dated the 23rd July, 1935.

With reference to your letter No. 398, dated the 12th June, 1935, I have the honour to forward herewith two statements embodying the information desired by you. *Statement I* shows the quantity of various classes of printing paper ordered from and the prices paid to the Indian Paper Mills during the year 1932-33 to 1934-35, and *Statement II* exhibits the results of tests carried out on the accepted samples of the Indian Mills during the said period and also indicates how in the light of these tests the quality of the Indian paper compared with those imported.

2. It may be observed in this connection that the comparison of quality on test figures could only be made in those cases where the prices of imported paper were either equal to or lower than the prices of Indian made paper of the same class. No price preference was accorded to the Indian Paper Mills during the period under review. All the European tenderers who submitted tenders in response to the simultaneous calls for tenders in England and India, were unsuccessfull in securing any contract for any of these classes of paper and the reasons for rejecting their tenders were as follows:—

- (a) the prices quoted for the Imported paper were, in most cases, higher than those quoted by the Indian Mills for acceptable qualities;
- (b) where the prices were favourable for the Imported paper the difference was more than compensated by a better quality of the indigenous paper;
- (c) samples sent by the European firms varied considerably from the stipulated specification and it was not possible to make a fair comparison of the quality offered with the same class of paper offered by the Indian Mills; and
- (d) some tenders contained conditions which were not acceptable.

STATEMENT I.

Statement showing the quantity of various classes of printing paper ordered from, and the prices paid to, the Indian Paper Mills during the years from 1932-33 to 1934-35.

Classes of printing paper.	1932-33.		1933-34.		1934-35.	
	Quantity ordered in tons.	Prices paid per lb.	Quantity ordered in tons.	Prices paid per lb.	Quantity ordered in tons.	Prices paid per lb.
White Cartridge . . .	102	As. P. 3 7½	104	As. P. 3 5½	123	As. P. 3 3
Half-bleached Cartridge . .	51	3 7½	82	3 5½	28	3 3
White Printing . . .	2,531	3 6½	2,267	3 4½	2,746	3 2
White Printing Super Calendered soft sized.	4	3 8	2	3 6	2	3 4
Coloured Printing . . .	226	3 7½	255	3 6	208	3 3½
Semi-bleached Printing . .	1,733	3 5½	1,495	3 3½	1,712	3 1½
Badami . . .	(I) 1,015 {	3 0½ 2 10½ }	1,140 {	2 10½ 2 8½ }	1,457	2 9
Duplicating . . .	125	4 0	116	3 9	158	3 6
Typewriting . . .	64	4 4½	61	4 2	77	4 0
Typewriting, Cream Laid, Antique.	..	..	..	..	1	6 0

No preference was given to the Indian Mills during the years under review.

(i) Out of 1,015 tons, 36 tons were ordered from the Deccan Paper Mills Co., Ltd., Poona, at the reduced rate of Re. 0.2-10½ per lb.

(ii) Out of 1,140 tons, 36 tons were ordered from the Deccan Paper Mills Co., Ltd., Poona, at the reduced rate of Re. 0.2-8½ per lb.

STATEMENT No. II.

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Year.	Names of the accepted Tenders.	TEST REPORT.				Basis of Furnish (Declared by Mills).	REMARKS. (Reason for eliminating European Tenders.)
		G. S. M.	B. L.	Fold.	Ash.		
WHITE CARTRIDGE.							
1932-33	T. P. Mills	104.2	4,208	15.9	2.2	Grass, Rags and Wood Pulp	All European Tenders were eliminated for high rates.
	B. P. Mills	104.2	8,918	10.1	3.0	Sabai Grass, Rags, Bamboo and 1st quality bleached Sulphite.	
1933-34	T. P. Mills	104.2	3,917	18.8	5.4	Grass, Rags and Wood Pulp	All European Tenders were eliminated for high rates except Dickinson's sample which being small and folded could not be tested.
	B. P. Mills	104.2	3,656	8.5	7.2	Sabai Grass, Rags, Bamboo and 1st quality bleached Sulphite.	
1934-35	T. P. Mills	104.2	4,034	3.92	3.3	Grass, Rags and Wood Pulp	The only European Tender from Cooke and Nuttall was received late and hence was not considered.
	B. P. Mills	104.2	4,353	29.6	3.5	Sabai Grass, Rags, Bamboo and 1st quality bleached Sulphite.	
HALF BLEACHED CARTRIDGE.							
1932-33	T. P. Mills	107.3	3,805	9.3	7.0	Bamboo and Strong Sulphite	All European Tenders were eliminated for high rates except that of L. S. Dixon's, whose sample was insufficient for test.
	B. P. Mills	106.6	4,879	36.7	3.8	Sabai Grass, Rags, Bamboo and 1st quality bleached Sulphite.	
1933-34	B. P. Mills	127.9	3,617	19.3	10.0	Sabai Grass, Rags, Bamboo and 1st quality bleached Sulphite.	Of the two European Tenders one of J. Wild was eliminated for high rate, the other one (J. Dickinson) was eliminated as the sample was small and folded for test.
1934-35	B. P. Mills	127.9	4,481	49.7	5.3	Sabai Grass, Rags, Bamboo and 1st quality bleached Sulphite.	The only European Tender from Cooke and Nuttall was received late and hence was not considered.
WHITE PRINTING.							
1932-33	T. P. Mills	73.6	4,068	4.6	5.4	Grass and wood pulp.	
	B. P. Mills	73.6	4,314	8.6	3.7	Sabai Grass, Rags, Bamboo and 1st quality bleached Sulphite.	

	L. P. P.	.	.	.	73.6	3,698	51	3.2	1st quality Bamboo and 1st quality Sulphite.
	L. P. Mills	.	.	.	73.6	3,574	120	2.4	Grass, Hemp, Rags and Sulphite wood.
	D. P. Mills	.	.	.	73.6	3,616	39	2.2	Rags, bleached Sulphite and own broke.
	(Non-approved European Tender sample of A/S Paper and Board Co.)				77.3	..	..	16.4	....
1933-34	T. P. Mills	.	.	.	73.6	3,492	35	2.9	Higher ash figure than the stipulated (maximum 15.0 per cent.) The Underside also showed prominent wire marks. Hence eliminated.
	B. P. Mill	.	.	.	73.6	3,739	127	9.0	The only European Tender from J. Dickinson was received. The sample being of different substance than required and unlike other, no comparative test was possible and hence eliminated.
	L. P. P.	.	.	.	73.6	2,794	32	4.6	As above with respective Mills
	L. P. Mills	.	.	.	73.6	3,369	48	2.6	
	D. P. Mill	.	.	.	73.6	3,287	21	5.6	
	T. P. Mills	.	.	.	73.6	3,657	194	3.4	
	B. P. Mill	.	.	.	73.6	3,533	80	2.2	
	L. P. P.	.	.	.	73.6	3,410	84	6.3	As above with respective Mills Nuttall was received late. Hence was not considered.
	L. P. Mills	.	.	.	73.6	3,287	71	2.1	
	D. P. Mill	.	.	.	73.6	3,328	64	3.7	
	WHITE PRINTING S/C. S. S.								
1932-33	T. P. Mills	.	.	.	107.3	4,002	282	0.8	Bamboo and Wood Pulp
	(Non-approved European Tender sample of A/S Paper and Board Co.)				77.3	..	..	16.4	....
1933-34	T. P. Mills	.	.	.	104.2	3,482	162	6.0	Bamboo and Wood Pulp
1934-35	B. P. Mills	.	.	.	73.6	3,287	128	6.3	Sahai Grass, Rags, Bamboo and 1st quality bleached Sulphite.

STATEMENT No. II—*contd.*

Year.	Names of the accepted Tenders.	TEST REPORT.				REMARKS. (Reason for eliminating European Tenders.)
		G. S. M.	B. L.	Fold.	Ash.	
COLOUR PRINTING.						
	T. P. Mills.					
1932-33	Blue Printing	•	70.5	3.088	65	Per cent.
	Green Printing	•	73.6	3.040	49	10.8
	Pink Printing	•	73.6	3.492	50	9.4
	Yellow Printing	•	73.6	3.451	100	10.8
1933-34	Blue Printing	•	73.6	3.286	125	Bamboo, Sulphite and waste paper:
	Green Printing	•	73.6	2.752	53	10.7
	Pink Printing	•	73.6	3.040	60	9.7
	Yellow Printing	•	73.6	3.829	236	9.8
	R. P. Mills.					
	Blue Printing	•	73.6	3.710	45	5.3
	Green Printing	•	73.6	3.410	38	11.4
	Pink Printing	•	73.6	4.108	98	13.8
	(Non-approved European Tender sample of J. Dickin- son.)		75.0	..	17	9.5
					..	Did not satisfy the minimum folding figure (20) stipulated in the tender.

1934-35	<i>T. P. Mills.</i>				The only European Tender from Cooke and Nuttall was received too late for consideration.
	Blue Printing	-	-	73.6	
	Green Printing	-	-	73.6	
	Pink Printing	-	-	73.6	
	Yellow Printing	-	-	73.6	
<i>B. P. Mills.</i>					
	Blue Printing	-	-	73.6	3.410 6.4
	Green Printing	-	-	73.6	3.698 7.2
	Pink Printing	-	-	73.6	3.616 4.2
	Yellow Printing	-	-	73.6	3.657 3.9
<i>Semi-Bleached.</i>					
1935-33	T. P. Mills	-	-	70.5	2,531 21 18.1
	B. P. Mills	-	-	73.6	3,656 49 7.4
	I. P. P.	-	-	73.6	2,876 43 6.2
	Lucknow P. Mills	-	-	73.6	3,328 94 4.4
	Deccan P. Mills	-	-	73.6	3,698 36 3.8
1935-34	T. P. Mills	-	-	73.6	3,451 47 8.7
	B. P. Mills	-	-	73.6	3,574 75 11.4
	I. P. P.	-	-	73.6	3,123 55 6.8
	Lucknow P. Mills	-	-	73.6	3,123 32 7.1
	Deccan P. Mills	-	-	73.6	3,616 41 5.8
1934-35	I. P. Mills	-	-	73.6	3,985 253 5.8
	B. P. Mills	-	-	73.6	4,109 267 5.6
	I. P. P.	-	-	73.6	3,616 252 5.6
	Lucknow P. Mills	-	-	73.6	3,410 72 6.2
	Deccan P. Mills	-	-	73.6	3,451 122 2.8

Bamboo and strong Sulphite
Sabal Grass, Rags, Bamboo and
Bamboo and 1st quality bleached Sulphite.
1st quality Bamboo and 1st
quality Sulphite.
Grass, Hemp, Rags and Sul-
phite wood, Rags and Sul-
phite, bleached Sulphite and
own broke.

No European Tender received for this item.
The Only European Tender from J. Dickin-
son was not considered as the sample was
small and folded for test.

As above with respective Mills
As above with respective Mills

STATEMENT No. II—*concl.*

Year.	Names of the accepted Tenders.	TEST REPORT.				REMARKS. (Reason for eliminating European Tenders).
		C. S. M.	B. L.	Feld.	Ash.	
BADAMI.						
1932-33	T. P. Mills	73.6	2,506	1.6	9.0	Strong Sulphite Paper
	B. P. Mills	73.6	2,876	2.8	7.5	Hemp, Bamboo and Broke
	Lucknow P. Mills	73.6	2,829	3.4	7.0	Grass, Jute, Rags, Hemp and Waste Paper.
	Deccan P. Mills	73.6	3,369	2.4	3.0	Bags, Jute, Sulphite and Paper Shaving.
1933-34	T. P. Mills	73.6	2,829	2.2	7.5	
	B. P. Mills	73.6	3,349	2.7	7.2	
	Lucknow P. Mills	73.6	2,588	3.1	7.4	As above with respective Mills
	Deccan P. Mills	73.6	3,328	4.1	6.3	
1934-35	T. P. Mills	73.6	3,533	7.4	5.2	
	B. P. Mills	73.6	3,492	5.9	7.3	
	Lucknow P. Mills	73.6	2,671	3.9	7.9	As above with respective Mills
	Deccan P. Mills	73.6	3,246	4.3	7.1	
DUPLICATING.						
1932-33	I. P. P.— (Absorbent)	80.6	3,564	52	3.2	1st quality Bamboo and 1st quality Sulphite.
	(Semi-absorbent)	80.6	3,602	65	3.4	All European tenders were eliminated for high rates.

1933-34	B. P. Mills— (Absorbent) (Semi-absorbent)	• • • •	80.6 80.6	3,976 4,059	73 66	5.8 6.0	Sabal Grass, Rags, and 1st quality Sulphite.	Bamboo bleached
	(Non-approved sample of L. S. Dixon's absorbent).		81.2	1,075	1	22.3	....	This sample was eliminated for weak strength and high ash content more than the stipulated maximum 5 per cent. All other European Tenders were not considered either the samples were small and folded for test or they were of high rates.
1934-35	B. P. Mills— (Absorbent) (Semi-absorbent)	• • • •	79.8 79.8	3,789 3,827	88 134	3.7 3.6	Sabal Grass, Rags, and 1st quality Sulphite.	Bamboo bleached
I. P. P.— (Absorbent) (Semi-absorbent)	• • • •	79.8 79.8	3,751 8,186	136 206	5.3 6.0	1st quality Bamboo and 1st quality Sulphite.	....	Not considered as Indian samples were better. All others eliminated for high rates.
Norwegian sample	•	81.2	3,314	9.7	....			The only European Tender for this item was from L. S. Dixon. It was eli- minated on account of high rate.
T. P. Mills	• •	40.6	3,650	20	1.8	Grass Wood and Rags	•	The only European Tender from J. Dickin- son was not tested as the sample was small and folded
T. P. Mills	• •	40.6	3,798	26	1.6	Grass, Wood and Rags	•	The only European Tender from L. S. Dixon was not tested as the sample was folded and small.
T. P. Mills	• •	40.6	3,575	152	2.4	Grass, Wood and Rags	•	No Tender was called for.
TYPEWRITER, CREAM LAID, ANTIQUE,	• • • •	• • • •	• • • •	• • • •	• • • •	• • • •	• • • •	No Tender was called for.
1932-33	•	•	•	•	•	•	•	No European Tender was received for this class of paper.
1933-34	•	•	•	•	•	•	•	
1934-35	T. P. Mills	• •	54.1	4,024	218	2.5	Bamboo	• •